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Small States and International Security

Europe and beyond

Edited by
Clive Archer, Alyson J.K. Bailes and Anders Wivel

Small States and International Security

This book explains what 'small' states are and explores their current security challenges, in general terms and through specific examples. It reflects the shift from traditional security definitions emphasizing defence and armaments, to new security concerns such as economic, societal and environmental security where institutional cooperation looms larger. These complex issues, linked with traditional power relations and new types of actors, need to be tackled with due regard to democracy and good governance. Key policy challenges for small states are examined and applied in the regional case studies.

The book deals mainly with the current experience and recent past of such states but also offers insights for their future policies. Although many of the states covered are European, the study also includes African, Caribbean and Asian small states. Their particular interest and relevance is outlined, as is the connection between their security challenges and their smallness. Policy lessons for other states are then sought.

The book is the first in-depth, multi-continent study of security as an aspect of small state governance today. It is novel in placing the security dilemmas of small states in the context of wider ideas on international and institutional change, and in dealing with non-European states and regions.

Clive Archer was, until 2009, Research Professor in International Relations at Manchester Metropolitan University and was previously a Professor at Aberdeen University. He has researched and published widely on the affairs of the Nordic region, Arctic cooperation, international organizations and the European Union.

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Preface

The study of security and the study of small states have always been closely related. Twentieth-century scholars were puzzled as to how and why small states survived in an anarchic international system dominated by great power politics. More recently, a number of analysts have explored the behaviour and influence of small states in an increasingly institutionalized security environment that presents a more diverse range of security challenges to individuals, states and societies. This volume explores small state security conceptually, theoretically and empirically. It seeks to make an original and accessible contribution to our understanding by unpacking the most important challenges to small state security; identifying the central hypotheses emerging from the literature; and discussing the importance and applicability of these hypotheses inside and outside the European context for which they were typically constructed.

The study of small states is growing in popularity and sophistication around the world, just as the numbers of such states have multiplied since the Cold War. In consequence the number of academic publications and university courses on small states has also increased over the past two decades. In Europe, in particular, there has been a growing interest in the challenges and opportunities of small states in an increasingly globalized world. Since 2003, the Centre for Small State Studies (CSSS) at the University of Iceland (UI) in Reykjavik has held an annual two-week Summer School on Small States, with ERASMUS funding and with help from a network currently of 17 partners (see http://ams.hi.is/node/19). In 2009–2011, security for such states was the overarching topic of the event, and it still features strongly within the 2012–2014 programme focusing on 'Small States, Integration and Globalization'. The co-editors of this volume have worked together since the Centre's earliest days, with Professor Baldur Thorhallsson and Director Pia Hansson at UI, to help develop and teach at the School; and the main inspiration for this volume was to bring into print – for wider accessibility – the materials and deeper analysis developed for the purpose. Most of the chapters were contributed, accordingly, by regular Summer School lecturers and partners of the CSSS: a few more have been commissioned from other qualified experts for the sake of coverage and balance.

We would like to thank all concerned at CSSS, including the Summer School students who have been a permanent source of challenge and inspiration, and all

who have played a part in preparing, reviewing, designing and producing this volume. In particular, we would like to thank the contributors to this volume for their professionalism, enthusiasm and willingness to engage in this project. We are grateful to the editor of Copenhagen Political Studies Press, Professor Mikkel Vedby Rasmussen, for a grant allowing for assistance in the final stages of the editing process and to Vera Knutsdóttir for competently providing that assistance. Last but not least, we thank Heidi Bagtazo, Alexander Quayle, Andrew Taylor and their team at Routledge for their support and assistance throughout the editorial process.

We trust that the results will be of help and profit to those engaged in research, teaching and learning on small states, but also to all policy-makers and actors – officials, businesspeople, civil society groups and media – who are involved in managing such states, or who deal with them as partners and neighbours.

Clive Archer
Alyson J.K. Bailes
Anders Wivel
(November 2013)

Acronyms and abbreviations

AA	Association Agreement
ACCP	Association of Caribbean Commissioners of Police
ACS	Association of Caribbean States
AEI	Alliance for European Integration (Moldova)
AOSIS	Alliance of Small Island States
APEC	Asia-Pacific Economic Cooperation
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
ASEM	Asia-Europe Meetings
AU	African Union
BBC	British Broadcasting Corporation
BDC	Botswana Development Corporation Limited
BDP	Botswana Democratic Party
BEDIA	Botswana Export Development and Investment Authority
BiH	Bosnia and Herzegovina
BRIC(s)	Brazil, Russia, India, China
CAJO	Caribbean Association of Judicial Officers
CANARI	Caribbean Natural Resources Institute
CAP	Common Agricultural Policy (EU)
CARICOM	Caribbean Community
CARICOM-IMPACS	CARICOM Implementation Agency for Crime and Security
CARIFORUM	Caribbean Forum
CCCC	Caribbean Community Climate Change Centre
CDCC	Caribbean Cooperation and Development Committee
CFSP	Common Foreign and Security Policy (EU)
CIA	Central Intelligence Agency
CLICO	Colonial Life Insurance Company
CMS	Constant Market Share
CoE	Council of Europe
COP	Conference of the Parties
CPDC	Caribbean Development Policy Centre
CRIES	Coordinadora Regional de Investigaciones Económicas y Sociales

CSA	Caribbean Studies Association
CSDP	Common Security and Defence Policy (EU)
CIS	Commonwealth of Independent States
CSME	Caribbean Single Market and Economy
CSTO	Collective Security Treaty Organization
DCAF	Geneva Centre for Democratic Control of Armed Forces
DCFTA	Deep and Comprehensive Free Trade Agreement
DEMA	Danish Emergency Management Agency
DPPI SEE	Disaster Preparedness and Prevention Initiative for South Eastern Europe
EC	European Commission
ECLAC	Economic Commission for Latin America and the Caribbean
EEA	European Economic Area
EFTA	European Free Trade Association
ENP	European Neighbourhood Policy (EU)
EPA	Economic Partnership Agreement
E-PINE	Enhanced Partnership in Northern Europe
ESDP	European Security and Defence Policy (EU)
EU	European Union
EUROPOL SOCTA	EU Serious and Organized Crime Threat Assessment
EU-R-PSC	European Union-Russia Political Security Committee
EUSR	European Union's Special Representative
EVI	Economic Vulnerability Index
EVIAR	Economic Vulnerability Index Augmented by Resilience
FAP	Financial Assistance Programme
FATF	Financial Action Task Force (OECD)
FDI	Foreign Direct Investment
FOSS	Forum of Small States
FRY	Former Republic of Yugoslavia
FYROM	Former Yugoslav Republic of Macedonia
GDP	Gross Domestic Product
GIUK gap	Greenland, Iceland, UK gap
GPS	Global Positioning System
GR:EEN	Global Re-ordering: Evolution through European Networks
GUAM	Georgia, Ukraine, Azerbaijan, Moldova Organization for Democracy and Economic Development
HDI	Human Development Index
HIV/AIDS	Human immunodeficiency virus infection/acquired immunodeficiency syndrome
HLAD	High-Level Accession Dialogue (EU and FYROM)
IBRD	International Bank for Reconstruction and Development
ICBL	International Campaign to Ban Landmines
ICRU	Icelandic Crisis Response Unit
ICT	Information and communications technology

ICTY	International Criminal Tribunal for the Former Yugoslavia
IDB	Inter-American Development Bank
IEA	International Energy Agency
IFI	International Financial Institution
IMF	International Monetary Fund
IPCC	Intergovernmental Panel on Climate Change
ISAF	International Security Assistance Force (Afghanistan)
KFOR	Kosovo Force (NATO-led)
LAC	Latin America and the Caribbean
LTTE	Liberation Tigers of Tamil Eelam (Sri Lanka)
MAP	Membership Action Plan (NATO)
MDC	Most Developed Countries
MDG	Millennium Development Goals
MERCOSUR	Southern Common Market
MFDP	Ministry of Finance and Development Planning (Botswana)
MIST	Mexico, Indonesia, South Korea, Turkey
MSB	Civil Contingencies Agency (Sweden)
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
NBC	Nuclear, Biological, Chemical (weapons)
NDP	National Development Plan
NETRIS	Network of Regional Integration Studies
NGO	Non-Governmental Organization
NORDAC	Nordic Armaments Co-operation
NORDCAPS	Nordic Coordinated Arrangement for Military Peace Support
NORDEFCO	Nordic Defence Cooperation
NORDSUP	Nordic Support Structure
NOST	National Operative Staff (Denmark)
NTS	Non-traditional security
OAS	Organization of American States
OECD	Organization for Economic Co-operation and Development
OECS	Organization of Eastern Caribbean States
OIC	Organization of Islamic Cooperation
OPEC	Organization of the Petroleum Exporting Countries
OSCE	Organization for Security and Cooperation in Europe
PAP	People's Action Party (Singapore)
PCC SEE	Police Cooperation Convention for South East Europe
PfP	Partnership for Peace (NATO)
PIIGS	Portugal, Ireland, Italy, Greece, Spain
PPP	Purchasing Power Parity
RACVIAC	South East European Centre for Security Cooperation
RAI	Regional Anti-corruption Initiative
RBC	Royal Bank of Canada
RCC	Regional Cooperation Council (Western Balkans)

RECOM	Regional Commission (on war crimes and other serious human rights violations, Former Yugoslavia)
REVI	Revised Economic Vulnerability Index
SAARC	South Asian Association for Regional Cooperation
SADC	Southern African Development Community
SAP	Stabilization and Association Process (EU)
SAP	Structural Adjustment Programme
SCO	Shanghai Cooperation Organization
SEE	South East Europe Transnational Cooperation Programme
SEECIC	South East European Counter Intelligence Chiefs Forum
SEECP	South East European Cooperation Process
SEEMIC	South East European Military Intelligence Chiefs Conference
SEENSA	South East European National Security Authorities
SEPCA	South East European Police Chiefs Association
SFOR	Stabilization Force (Bosnia and Herzegovina)
SIDS	Small Island Developing States
SIPRI	Stockholm International Peace Research Institute
TcFSSR	Transcaucasian Federated Soviet Socialist Republic
TIEA	Tax Information Exchange Agreements
TMR	Transnistrian Moldovan Republic
TOC	Transnational Organized Crime
UN	United Nations
UNCED	United Nations Conference on the Environment and Development
UNCLOS	United Nations Convention on the Law of the Sea
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNMIK	United Nations Interim Administrative Mission in Kosovo
UNODC	United Nations Office on Drugs and Crime
UNU-CRIS	United Nations University's Comparative Regional Integration Studies
USSR	Union of Soviet Socialist Republics
VAT	Value Added Tax
WB	Western Balkans
WIDER	World Institute for Development Economics Research
WMD	Weapons of Mass Destruction
WTO	World Trade Organization
ZAVKO	Transcaucasian Military District (Russia)

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Part I

Small state security revisited

History, concepts, theory

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1 Setting the scene

Small states and international security

Anders Wivel, Alyson J.K. Bailes and Clive Archer

Introduction

Small states have traditionally played a marginal role in the construction and maintenance of international security orders. Accepting the dictum formulated by Thucydides in the fifth century BC, that 'the strong do what they have the power to do and the weak accept what they have to accept' (Thucydides [1954] 1972: 302), small states have tended to pursue pragmatic and reactive security policies adapting to the interests of nearby great powers and aiming primarily to ensure their own survival. As noted by Browning:

> [i]n the international relations literature and in world politics size has generally been connected to capability and influence. Whilst being big is correlated with power, being small has been viewed as a handicap to state action, and even state survival.
>
> (Browning 2006: 669)

This was true even as international affairs began to institutionalize. In the nineteenth century, the Congress of Vienna recognized the special role of the United Kingdom, Prussia, Austria, France and Russia, and for almost a century the great powers set the rules of the game by meeting 'in concert on a regular basis in order to discuss questions of concern, and to draw up agreements and treaties' (Neumann and Gstöhl 2006: 5). Small states were those states that were not great powers, i.e. the states left to obey the rules of the game, because they were too weak to be taken seriously when the rules were negotiated. In the first half of the twentieth century, conditions seemed to worsen for small states as the development of new weapons technology widened the gap between them and the great powers. As noted by Annette Baker Fox in her classic study of the power of small states:

> [d]uring World War II it was widely asserted that the day of the small power was over. Not only could such a state have no security under modern conditions of war; it could have no future in the peace that presumably one day would follow.
>
> (Fox 2006 [1959]: 39)

Superpower rivalry between the US and the Soviet Union following the end of the war simultaneously intensified and ameliorated the security predicament of small states. On the one hand, the institutions of international society were strengthened. On a global scale, the establishment and subsequent development of the United Nations served as an important vehicle for decolonization (supported by both superpowers), which helped to create a large number of new small states. Subsequently the UN served as a platform for small states voicing their concerns over international developments and cooperating on promoting their values and interests. On a regional scale, a proliferation of new regional trade agreements and organizations, most notably the precursors to the European Union, helped small states to achieve some of the economies of scale that had traditionally been the privilege of great powers. On the other hand, a world with two superpowers of continental size and global reach was also a world of even greater power disparity than had been the case before the war, with a sharp delineation between the security- (and insecurity-)producing superpowers and small state security consumers unable to defend their own territory against external (and sometimes internal) threats.

A transformed geopolitical environment after the Cold War, 9/11 and the Iraq war have fundamentally altered the security challenges of small states in Europe. Most importantly, the end of the Cold War reduced the traditional military threat to most European small states significantly. In much of Europe – at least – small states need not fear military invasion for the foreseeable future. This has widened the foreign policy room of manoeuvre considerably for these small states, as they need no longer fear that policies provoking or irritating the strong will lead to military subjugation or extinction. In addition, from the 1990s onwards, intensified globalization and increased interdependence reduced the importance of traditional military instruments in a way that highlighted both the diplomatic and institutional competencies of small states, and their possible non-state (business, intellectual, environmental) assets.

However, new security challenges soon emerged. The Gulf War of 1990–1991 and the struggle over former Yugoslavia created new demands for active conflict management, and small states were expected to contribute to their solution even if their immediate security interests were not under threat. The repercussions of the terrorist attacks on New York and Washington on September 11, 2001, and the wars in Iraq and Afghanistan, emphasized the global aspect of small state security. As the European experience has illustrated, this does not necessarily mean the end of great power politics. The gradual development of the EU as a security actor, and the frequent use of informal big member state consultations in EU security policy making, illustrates that Europeanization entails challenges as well as opportunities (Wivel 2005). At the same time economic, societal and environmental security issues present all states with a new set of challenges including financial crisis, increased competition over markets, migration, terrorism and global warming.

The aim of the book

The aim of this book is to conceptualize, map and explain the security challenges of small states today. We specifically aim both to identify the challenges and the opportunities of small states and to discuss the costs and benefits of the different security strategies followed by small states inside and outside Europe. Throughout the history of international security, small states' relative lack of power has given them less influence over international events and a smaller margin of time and error (Jervis 1978: 172–173). As permanent security consumers they have had little to offer the great powers and therefore, also, a limited room for manoeuvre when pursuing strategic goals beyond security and survival. As the strategic environment of small states is changing, so are their opportunities and incentives to engage actively in the creation and maintenance of security orders.

Even though the literature on small state security has been growing rapidly since the end of the Cold War, there have been few attempts to go beyond single country studies and provide a comprehensive overview of the general pattern of challenges, opportunities and strategies facing small states in the current security order. Now, as in the past, the study of small states is plagued by a lack of cumulative insights and coherent debate. This book aspires to fill this void by taking three steps towards a more generally applicable understanding of small state security. First, we discuss how the transformation of small state security necessitates the development and application of new security concepts, and extends the range of possible solutions. Second, we analyse a number of European cases in order to describe and explain the security predicament of small European states today and how they respond. Third, we explore examples of small state security in Africa, Asia and the Caribbean to see how they compare or contrast with the European experience. All this helps to produce comparative insights, drawn from the conceptual discussions and empirical analyses, and reflected in the chapters of Part III.

We do not seek to prove a certain theoretical school – realist, liberal or constructivist – right or wrong. Our research strategy is to start from a shared definition of small states, to focus on the security challenges and opportunities of small states today and in the recent past, and to structure the analyses within each part of the book with a set of questions to be answered by each chapter within that part. Thus, our aim is not to construct and test a grand theory of small states, but to offer a structured and focused analysis of small state security today. We also acknowledge that different theories may shed light in different places, and that variations in historical, geopolitical and institutional contexts will affect the applicability of general theories to small state security over time and space.

Defining small states in international security

Students have not reached a consensus on how to define a small state or which behavioural characteristics may be seen as typical for small states, beyond the general tendency of such states to adapt to – rather than dominate – their external

environment, and (where applicable) to seek influence through membership of international institutions (Amstrup 1976: 178; Antola and Lehtimäki 2001: 13–20; Archer and Nugent 2002: 2–5; Christmas-Møller 1983: 40; Hey 2003: 2–10; Knudsen 2002: 182–185; Panke 2010: 15; Steinmetz and Wivel 2010: 4–7).[1] Thus, although most students would agree with Hey, that today '[s]mall states […] enjoy more international prestige and visibility than at any other time in history' (Hey 2003: 1), they would find it hard to agree upon what exactly constitutes a small state.

Despite this lack of consensus, analyses of small state security tend to focus on material power capabilities, i.e. the possession of – or rather the lack of – power resources in absolute or relative terms; most often measured by proxies such as population size, GDP (gross domestic product) or military expenditure. Historically, this type of definition follows directly from the development of international society in the nineteenth and twentieth centuries when the number of small states rose sharply as a consequence of the break-up of empires and decolonization. The class of small states was a 'residual category', referring to those states that were not great powers and thus were defined by 'their presumed lack of power in a quantitative sense' (Neumann and Gstöhl 2006: 4). Theoretically, this type of definition typically follows from a starting point in the realist school of international relations, which has historically been the dominant approach to the analysis of international security, including the security problems of small states.[2]

Three benefits follow from defining small states in terms of capabilities. First, if we are to analyse the opportunities, challenges and limitations of a specific state, indications of absolute and relative capacity are important, because they inform us of the absolute and relative limitations on these states' capacity to handle different types of challenges. Second, an absolute and universal threshold between big and small states of, for example, a population size of 15 million people, or a GDP of €500 billion, has the benefit of creating a clear and easily applicable definition of small states. The same can be said of a relative definition defining great powers as the 'top ten' in the world, or the 'top five' in a specific region – measured in, for example, population size, GDP or military expenditure – and the rest as small states. Also, the existing power indexes of the (realist) IR literature, which seeks to combine a number of parameters in order to evaluate the aggregate power of states, may be adapted to the analysis of small states (Kennedy 1987; Schweller 1998; Wohlforth 1999).

Third, starting from a power possession definition allows us to draw on the comprehensive literature on power and security in international relations in order to identify why, when and how the security challenges of small states are distinct from those faced by stronger states. For instance, Kenneth Waltz, the pre-eminent scholar of relative capabilities, discusses the implications of power (and the lack of it) and notes that: (1) 'power provides the means of maintaining one's autonomy in the face of force that others wield', (2) 'greater power permits wider ranges of action, while leaving the outcome of action uncertain', (3) 'the more powerful enjoy wider margins of safety in dealing with the less powerful

and have more to say about which games will be played and how', and finally (4) 'great power gives its possessors a big stake in their system and the ability to act for its sake' (Waltz 1979: 194–195). Following this discussion, it could be argued that small states: (1) are not able by themselves to preserve their own autonomy in the face of force that others wield; (2) have a narrow range of action; (3) have little to say about which games are being played, and how; (4) have only a small stake in the system and are unable to act for its sake. These four points correspond closely with a traditionalist view of small states in international security. Throughout the book, the authors of individual chapters use these four assumptions as a starting point for discussing to which extent this view is still relevant for the states analysed.

Yet despite the merits of the power possession definition of small states and its prominence in security studies, we find that it has at least three important limitations. First, it leads us to a focus on the military dimension of security. A focus on material power resources naturally leads to a focus on military security, because military capabilities are decisive for state survival in conventional warfare. Even when human and economic resources are included in the definition of material power, these tend to be regarded as components of 'latent power' necessary for upholding and developing the military power capabilities that are vital for survival in an anarchic international system (e.g. Mearsheimer 2001). To be sure, military security threats continue to be important to the large majority of small states, but, as argued in Chapter 2, an exclusive focus on military threats is too restrictive if we are to understand small state security today. Most importantly, we risk underestimating the opportunities and contributions of small states if we focus on material, and in effect military, capabilities, because conventional military power is the area where most small states are weakest.

Second, as argued by Rothstein, a focus on quantifiable objective criteria logically leads to a ranking of powers and an understanding of international relations in terms of power hierarchy, which is of little use for identifying the real challenges and opportunities of small states (Rothstein 1968). There are two problems with this understanding in regard to analysing small state security. First, security challenges to small states are rarely systemic but typically originate in the geopolitical vicinity of the small state. Second, we cannot deduce a state's security challenges from its power rank in the international system, or even in a given region. Security conflicts are typically the product of power as well as a number of other factors, such as historical lessons learned by the political elites and the electorate, religion, ideology, the personality of decision-makers and political institutions. Thus, challenges to small state security often make most sense within a specific spatio-temporal context, now including their specific role in, and adjustment to, globalized features of the world scene. It follows that no matter whether we focus on absolute or relative power, the criteria for defining the cut-off line between small states and great powers will always be arbitrary, and this problem is only aggravated if we introduce additional categories such as middle powers and micro-states.[3] There is no reason why a country with 20 million people should be a great power and a country

with 18 million should be a small state, or why number five in Europe – measured in military expenditure – should be characterized as a great power and number six should not. Would numbers one to five face a different set of shared problems than numbers six and seven? Would they follow a shared strategy distinguishable from that followed by numbers six and seven to solve these problems? So far, the evidence clearly suggests that they would not.

Finally, the power possession definition is based on the premise that we can quantify and measure power. However, power is difficult to measure and its effects are almost impossible to distinguish from the calculations and perceptions of policy makers. Thus, the cut-off point between big and small states is rarely self-evident, and, accordingly, there is no consensus on what constitutes a small state in term of power possession. Indeed, the notion 'small state' has typically been used to denote at least three different types of states: micro-states, small states in the developed world and small states in the Third World (Hey 2003: 2). Adding to the confusion, none of these categories is clear-cut and there is agreement on how to define them. Micro-states are sometimes defined according to the size of their population, typically with the threshold set somewhere between 100,000 and 1.5 million inhabitants (cf. Anckar 2004: 208; Mohamed 2002: 1; Neumann and Gstöhl 2006: 6; Plischke 1977: 21), but at other times micro-states are defined by having 'a size so diminutive as to invite comment' (Warrington 1998: 102). Likewise, small states in the developed world have been defined using a number of different and often incompatible criteria, leading to confusion over how to recognize a small state when we see one.

Thus Väyrynen, in a survey on the concept, identifies two axes for defining small states (Väyrynen 1971). One axis focuses on whether the defining criteria for small states are objective, e.g. size of GDP or population, or subjective, e.g. perceptions of domestic or foreign elites. The other axis focuses on whether the defining criteria are endogenous, i.e. internal characteristics of a country, or exogenous, i.e. the country's relations with other states.[4] Adding to the complexity, small states in the Third World usually have much larger populations than what we term small states in the developed world, because 'population size is taken as a proxy of a range of other economic characteristics – all of which are deemed to bestow particular vulnerabilities on small states' (Heron 2008: 246). Thus, in his now classical study *The Inequality of States*, David Vital studies small states with, '…a) a population of 10–15 million in the case of economically advanced countries and b) a population of 20–30 million in the case of underdeveloped countries' (Vital 1967: 8).

Acknowledging this limitation, as well as the difficulties of measuring power and its consequences, we have proposed to the authors in this book a move away from the quantifiable power possession definition of small states to one that is qualitative and relational (cf. Mouritzen and Wivel 2005b; Rothstein 1968; Toje 2010). We thereby accept the argument recently made by several scholars that, rather than continue the search for universal characteristics of small states and their behaviour, the 'small state' concept is best used as a 'focusing device' for highlighting the characteristic security problems and foreign policy dilemmas of

the weaker actors in asymmetric power relationships (Mouritzen and Wivel 2005b; Thorhallsson and Wivel 2006; Rickli 2008; Wivel 2005).[5]

Accordingly, we define a small state as the weaker part in an asymmetric relationship, which is unable to change the nature or functioning of the relationship on its own (cf. Mouritzen and Wivel 2005a: 4; Grøn and Wivel 2011; Steinmetz and Wivel 2010). Following this definition, small states 'are stuck with the power configuration and its institutional expression, no matter what their specific relation to it is' (Mouritzen and Wivel 2005a: 4). For instance, if the United States chose to remove its troops from the European continent or to leave NATO, or if China chose to abandon the Security Cooperation Organization (SCO), this would radically change these institutions and therefore the nature, magnitude and intensity of the security challenges for all other member states. But if Denmark left NATO or Tajikistan left the SCO, the consequences would mainly be felt by these small states themselves. Therefore, such states cannot credibly threaten to leave, alter or destroy institutional structures: one important way in which their strategic challenges and options differ from those of great powers. However, today, a small state typically acts simultaneously in a number of different power configurations with different sets of actors, and therefore a state may be weak ('small') in one relation, but simultaneously powerful (a 'great power') in another. For instance, Romania is a great power in its relations with Moldova but a small state in its relations with Russia, and Denmark is a small state in NATO but a great power in relation to the Baltic countries. Thus, we argue that being a small state is tied to a specific spatio-temporal context and that this context – rather than general characteristics of the state defined by indicators such as its absolute population size or its military expenditure relative to other states – is decisive for both the nature of challenges and opportunities, and the small states' answer to these challenges and opportunities.

This definition shifts the analytical focus from the power that states *possess* to the power that they *exercise*. From this point of departure the authors of this book use the concept of small states as a 'focusing device', directing us towards interesting research puzzles stemming from 'the experience of power disparity and the manner of coping with it' (Knudsen 1996: 5; cf. Gärtner, 1993: 303; Rickli 2008; Thorhallsson and Wivel 2006; Wivel 2005: 395). Thus, '[s]mallness is, in this conception, a comparative and not an absolute idea' (Hanf and Soetendorp 1998: 4). It brings to our attention a particular set of security problems and foreign policy dilemmas, allowing us – among other things – to distinguish between issue areas where the notion of small state is relevant, and issue areas where it is not.

Contents of the book and chapter summaries

This shared approach to the definition of small states helps to ensure the analytical coherence of the book. Further, the chapters share a common time frame. All chapters focus on the present and on the recent past (since the end of the Cold War), although authors include references to the more distant past

whenever it is relevant for understanding the challenges, opportunities and politics of the present. Finally and crucially, coherence and comparability within each section of the book is ensured by a single set of questions that all chapter authors were asked to consider, as set out below.

Small state security revisited: history, concepts, theory

The book is organized into three parts. The first part, 'Small state security revisited: history, concepts, theory', provides the conceptual and analytical framework for the volume. This introductory chapter and the next chapter (which discusses the security of small states) establish the general framework and shared premises of the book. The three following chapters discuss new functional approaches going beyond traditional, military notions of security: economic security, societal security and environmental security. The authors of these three chapters have sought to answer the following questions: (1) How do you define this particular dimension of security? (2) Why is it important for small states? (3) How has the understanding and impact of this dimension of security changed over time for small states? and (4) What lessons and apparently useful tools for small states' internal and external governance have emerged?

In Chapter 2, Alyson Bailes, Jean-Marc Rickli and Baldur Thorhallsson explain the practical and theoretical developments that have led to wider and more diverse security concepts entering the realm of public policy since the late twentieth century. More fields of life, such as economic management, energy supply or health, have been brought within the scope of security or have been recognized as including security dimensions. Security processes are understood to operate not only between states, but also at trans-state and sub-state levels and they increasingly involve non-state actors – businesses, terrorists, media or the ordinary citizen – as agents, as well as objects or victims. A wider variety of international organizations than before have competence to address at least some part of the security spectrum, and security governance within the state is attracting new attention as the importance of managing it both efficiently and in accord with human rights and democratic norms is realized. The subjective nature of many perceptions in the security field has further been acknowledged by the concept of 'securitization', which asks who first defines a given issue as a security challenge, and by what means public assent is acquired to tackle it with suitably robust methods.

As a starting-point for considering how this affects small states, the authors propose a four-line table of potential threats and risks, covering, respectively: traditional military problems, non-state human threats, economic and social vulnerabilities and accidental and natural hazards. While each small state will have a specific mix of such concerns – both objectively, and in terms of what is 'securitized' – some general assumptions can be made, starting with the permanent disadvantages of a small administration facing traditional military threats at home or abroad. For the other three categories of risks, small states' limited resources expose them to deeper damage from a single event, but their small

scale may also make it easier to comprehend and solve some problems. At bottom, a small polity must choose between a passive and neutralist orientation in international society, or an active one. The latter choice is becoming more typical as non-military threats can rarely be solved by inaction, and the peace-keeping vogue calls for small states to contribute to global goods even in the military mode. The widening of agendas also means that a single large-state protector is unlikely to be able to resolve all its protégé's problems, so that the role of *the institution as shelter* is becoming more central to small state strategies at least in regions (and there are several) where this option exists. Multilateral organizations, whose governance is reasonably pluralistic, can even offer a kind of 'escape from smallness' by giving small states a theoretically equal say in framing collective security policies. Though big–small dynamics still work to their disadvantage within the structure, some small players – such as the Nordic countries – have managed to edge whole institutional communities towards giving, at least, lip-service to norms – such as peaceful resolution of disputes and concern for the global commons – that are bound to profit the small. The question is how much a small state opting for institutional integration has to 'pay' in return for such benefits, and whether the bargain may even be more subtly erosive of the weaker party's identity than traditional power relationships have been – on which more below.

Chapter 3, by Richard Griffiths, deals with the economic and financial aspects of the strategic plight of small states: an issue on which the literature, as noted, has swung from pessimism to optimism and back since the beginning of the twentieth century. He argues that (relative) economic success or vulnerability can only be addressed today in a context of open international trade and interdependence: it is not just about basic provision for one's citizens, but about the ability to survive the shocks that a volatile global system brings. In this context, above all, a numerical measure of 'smallness' can tell us little, since a rich, developed state will have different challenges, and solutions at its disposal, from a poor developing one with the same size of population. In fact, the various indices developed to try to measure vulnerability regularly show a preponderance of small states in the most vulnerable class, but also position some nations, like Luxembourg, Switzerland and the Netherlands, in the least vulnerable group. In particular small, developed states have often been judged favourably in terms of adaptability and resilience. As in other fields of security, what seems to matter is less the common weaknesses of the small and more, the effectiveness of different strategies used to counter them. The high import needs and limited export potential of small economies can, for instance, be cushioned from the worst shocks within a structure of long-term economic commitments and common rules such those provided by regional organizations. While fiscal levers may be less effective, volatile commodity prices could be evened out by creating a national stabilization fund. Other aspects of internal organization may, in the end, be even more crucial: social cohesion, a 'corporatist' system based on compromise among economic partners, and general good governance to avoid – *inter alia* – waste through corruption. Such factors may explain the intriguing finding

that small independent states often weather crises better than neighbouring sub-state regions of similar size and wealth. They are solutions available, in principle, to the poorest of small states as well as the richest.

Chapter 4, by Alyson Bailes, returns to the issue of today's wide, multi-functional definitions of security and asks how a small state with limited financial and human resources can cope with such a potentially confusing agenda. A solution adopted by most Nordic states (under one name or another) is the concept of 'societal security', which views a functioning, peaceful society in itself – distinct from the level of the state, or the isolated individual – as a security good and a resource for security building. In practice, in these countries, societal security policies have become focused on the handling of non-warlike emergencies and on the best ways to bring state and non-state actors, including the private sector and citizens' volunteer groups, together for the purpose. This focus on the event, rather than on creeping and dispersed risk factors such as social or environmental change, may in itself be disputed; but the societal security approach does have some *prima facie* generic advantages for small states. Among other things, the recognition and prioritization of a wide range of risks – from terrorist action to natural disasters – gives room for compromise among different schools of thought and their securitizations, including those who reject a military focus. Non-state actors in small nations may also have strengths, including an understanding of the globalized environment, that the state authorities lack. Nevertheless the societal vision has its own weaknesses, starting with the question of how to define 'society' itself – rarely monolithic in modern conditions, and not necessarily coinciding with state boundaries. Bailes concludes that the use of a specific name or concept is immaterial, but small states in any region might improve their security strategies and implementing structures by asking themselves the same questions as those raised by the 'societal' agenda.

Chapter 5, by Auður Ingólfsdóttir, addresses one of the 'softest', if not genuinely the newest, sections of the modern security spectrum: the concern for environmental security, currently deepened by an awareness of the multiple, and probably severe, impacts of climate change. She explains that environmental security itself can be addressed either in a more traditional light, focusing on the links between environment and conflict dynamics, or in a broader context of 'human security' – a concept introduced in Chapter 2 – where implications for health, the economy and other personal circumstances would be considered as equally important. As with other non-military hazards, local environmental risks can sometimes be easier for a small polity to handle, especially when well-resourced, and climate change is putting states of all sizes in jeopardy. A small state is, however, much less likely to be able directly to mitigate the process, given its low carbon emissions, and it may have little room to adapt if – like some small island states – the next decades could see its whole territory submerged. In fact, these latter states have grouped together to achieve international recognition of their plight: offering a further example of how multilateral, institutionalized approaches to common security problems may allow small actors to

influence emerging norms even among far more powerful actors. Taking the Nordic states as a test-case, Ingólfsdóttir suggests that the requisites of success in such a tactic are a record of international activism and expertise, of setting a good example by domestic action and of the coincidence of negotiating positions with real national interests. If this conclusion helps to underline the importance of national security governance as addressed in Chapter 2, Ingólfsdóttir also stresses that small states do not necessarily get the equation right: even the Nordic countries have sometimes bartered environmental norms for short-term economic advantages or sectoral interests.

Small state security in Europe

The second part, 'Small State Security in Europe', covers illustrative groups of small states and micro-states in the wider setting of Europe, moving from some examples that have been extensively analysed in a 'small states' framework to others that have not yet been addressed in this perspective, or are under-studied in general. Each chapter addresses these four questions: (1) Why is/are this particular state/these particular states relevant/interesting? (2) What are the most important security challenges faced by the state/s in question and how do the challenges relate to their 'smallness'? (3) What are the most important characteristics of this state's/these states' security policy? (4) Does the analysis yield important insights and/or lead to important policy advice for other states?

A general observation regarding Europe's smaller states is that, with a few exceptions (notably Luxembourg), they tend to be spread around the peripheries of the continent and are more often strategically exposed than sheltered. The fact that they have, in modern times, a rather good record of survival – and in many cases also of wealth and wellbeing – says something about the range of solutions that this macro-region offers for giving them shelter, ranging from national partnerships to the world's most sophisticated and strong multilateral security organizations. This set of states thus provides the obvious first place to look for the benefits, costs and other implications of post-modern solutions to relational asymmetry that go beyond traditional bandwaggoning and/or subjection.

The five Nordic states that are introduced in Chapter 6, by Clive Archer, are a diverse group in every way: from their size (Iceland's population numbering one-third of a million and Sweden's population approaching ten million) to their formal strategic orientation (three being members of NATO and two being militarily non-allied). The chapter rightly stresses these variations, as they make even more interesting the question: Why has the Nordic region remained so stable since 1945 while producing such a positive 'surplus' of high-minded international activism? The fact that the countries have no tensions, or damaging competition, among themselves may be just as fundamental a part of the answer as the de facto US strategic umbrella that, for now, remains in place over the whole sub-region. Given these two basic features, the fact that the Nordics have evaded a local defence pact among themselves and relied rather on NATO/EU coverage to manage their asymmetrical position vis-à-vis Russia has actually

served the interests of stability and global freedom of action for all concerned in the North. For dealing with modern, trans-frontier security problems, however, and for ensuring that the norms promoted by such small players do in fact impact on world governance, the non-legalistic and practical web of intra-Nordic security cooperation is also very important – and is now growing in scope and significance.

The Baltic States provide both parallels and contrasts with their Nordic neighbours, and both aspects are well brought out in Chapter 7, by Mindaugas Jurkynas. Not only are Estonia, Latvia and Lithuania closer to Russia and thus exposed to one of Europe's most blatant strategic asymmetries, but, having been more than once engulfed by Russian/Soviet power, their very identity includes an apparently indelible anti-Russian streak. Consequently, 'hard' security concerns have pushed them into a shared strategy of outright, maximal integration with both the EU and NATO, combined with efforts to earn protection from the US. They have also profited from several tiers of neighbourhood cooperation, including many kinds of Nordic help, short of actual guarantees. Their particular paradox is that while playing the post-modern integration game to the hilt, they have remained stubbornly modern in the zero-sum aspects of their strategic outlook. Even these states' newer, non-military security challenges are still largely seen through a Russia-related (energy, cyber-safety) or an identity-related (migration, minorities) lens. Tellingly, also, in all three nations the level of consensus experienced and the bureaucratic solutions used for 'hard' and 'soft' security issues, respectively, are quite different.

With the Western Balkan states covered in Chapter 8, by Višnja Samardžija and Senada Šelo Šabić, even more dramatic security challenges come into the picture. In the last two decades this region has witnessed bloody conflict among states and entities qualifying as 'small', and their deconstruction into even smaller entities (most recently, Kosovo and Montenegro). Today, peace is measurably being consolidated – with the help of still-present international missions – but serious challenges remain in non-military security, democracy, and the general quality of governance. NATO and EU integration comes into play here, not only as a way of building immunity against mutual and external attack, but also as a force for *transforming* identity through conditional reforms receiving targeted assistance. Cooperation and synergy among the region's actors and their medium-sized neighbours are also promoted in the process. The over-arching question about the success of this strategy is the credibility of the 'carrot' of EU/NATO membership if timetables become too extended. As our authors point out, however, Croatia's recent successful entry into the EU, and its presence with Albania in NATO, have provided both encouragement to the others and a practical local model. Manifold as these nations' problems may be, their smallness at this point in history is perhaps more helpful than not: providing flexibility for development, and the hope of – eventually – easy assimilation into the continent's powerful institutions.

The cases of Moldova and Georgia, placed in the Western fringe of the former Soviet Union, can make the Western Balkans' position look almost

fortunate. Both have seen parts of their territory fall under the de facto control of Moscow and its friends; in Georgia's case after an open, armed conflict in 2008. Both are prone to transnational ills that damage both themselves and their neighbours, and both have, at best, imperfect democracies and security systems. For these two states, however, smallness as such, and the preservation of identity are arguably not the key issues. Facing a strategic situation where the West cannot do much to help them and may even be half-hearted over their inclusion, they need to make fundamental national choices about what kind of shelter they can realistically seek and what price they will pay for it. Even more than the former Yugoslav states, they might need fundamental changes in their politics and world outlook to be able both to achieve and accept organized Europe's post-modern solutions. For the present, at least, there are more signs of possible acceptance of this bargain in Moldova's cautious, defensive, drive towards the EU than in Georgia's more assertive tactics.

Micro-states are a sub-set of the world's smallest states that share some basic challenges and that have often found idiosyncratic solutions. Applying a criterion of representation at the UN plus a population below one million, Archie Simpson identifies 44 such states in the world and ten in Europe. Ranging from Iceland to Montenegro and from Luxembourg to Malta by way of the Holy See, the latter are very diverse in location, wealth and security predicaments. Most do not maintain armed forces and are protected by a large neighbour, plus – in two cases – NATO. Cyprus suffers, however, from a tense internal division and hosts a UN peacekeeping mission. Micro-state economies have even more fundamental limitations, and in Europe have most often solved them by some combination of dependence on neighbours, sharing of currencies (now often the euro), and joining of collective institutions like the EU. Several have also explored profitable branches that are not size-dependent, such as casinos, banking services and tax havens. As discussed further in the third part of this book, this is a post-modern solution *par excellence* but also one that exposes small communities to transnational crime, abuse, and serious reputational risk. Simpson correctly stresses, therefore, the importance of good governance and points out that even among European states in this class, it is not automatically forthcoming.

Comparative insights: beyond Europe

The third part, 'Comparative Insights', expands the book's purview and seeks to reveal parallels and contrasts by applying a similar analytical approach to three regions outside Europe that contain a significant number of small states. The regions are chosen because of their variety and because they have well-developed traditions of scholarship on security, or small states, or both. Here, the authors addressed the following key questions: (1) Why is this region and its smaller states relevant/interesting? (2) What are the most important security challenges faced by the state/s in question and how do the challenges relate to its/their 'smallness'? (3) What are the most important characteristics of this state's/these states' security policy/policies? (4) Does the analysis yield

important insights and/or lead to important policy advice for other states? The potential of regional integration in each relevant region is taken into account; while the final chapter addresses some generic issues about small polities worldwide, and the light they shed on an international system in rapid evolution.

In Chapter 11, by Ian Taylor, the first case-study takes Botswana as an example of a small developmental state in Africa and focuses on the *prima facie* riddle of its success. Together with a few others in its region, such as Mauritius, it has attained soaring growth rates only exceeded by the 'small tigers' of Asia. To understand the reasons for this growth, it is necessary to explore the typical economic security challenges of a poorer, ex-colonial state; and what Botswana seems to show is that the world community's orthodox notions of promoting development by reducing state power may be wrong-headed. Admittedly well placed in other dimensions of security, Botswana has succeeded through its efforts to keep control of its own strategic resources (diamonds) and to deploy the proceeds through a strong government and a strong, competent bureaucracy for interventionist development planning. In the process, the country has avoided many of the pitfalls indicated by the analysis of small state vulnerabilities (cf. Chapter 5). Botswana's development trajectory has not been unproblematic: the country still has immense levels of inequality and poverty. However, elements within Botswana's post-independence history could be useful for other poorer small states to take on board, not just in Botswana's African neighbourhood, but elsewhere as well.

In Chapter 12, Alan Chong begins by analysing general traditions of statehood in Asia and shows that, historically, merit and authority depended on factors quite unrelated to size. The present self-conceptions and threat perceptions of Asian small states reflect the way these longer traditions have been overlaid by colonial influences – including the creation of new ethnic mixes as well as boundaries – and the Manichaean culture of the Cold War. The contrasting case-studies of Singapore and Sri Lanka both show how, as a result, external worries driven by asymmetrical relationships are compounded by fears of internal dissent, in what the author calls an 'intermestic' mix. For Sri Lanka, the overriding internal issue is that of the conflict between the Sinhalese and the Tamils, which not only prompted the recent bloody civil war, but has since driven government attempts to balance with other large actors, such as China, against the presumptively pro-Tamil Indian power. Singapore, for its part, had a long struggle even to establish its permanent statehood vis-à-vis Malaysia and to secure its territory against the even larger neighbour, Indonesia. Its rulers have sought to suppress risks from internal ethnic diversity by a policy of strong government, underpinned by would-be distinct Singaporean values, and a corporatist approach to working with non-state sectors. The price is a certain 'strategic paranoia' that demands constant vigilance and effort – like pedalling to stay on a bicycle. Externally, Singapore's initial Cold War dependence on the US has shifted towards an effort for multi-polar balance that includes acceptable forms of engagement with China. Singaporean concerns about conflict risks and non-military security are much eased by belonging to ASEAN, as well as to other

competent multilateral groups. Chong concludes that intermestic issues of identity-forming, including the question of who belongs as a citizen or 'who goes and who stays', are typical of today's security agendas and attempted solutions by the region's small states. The external framework in which such states operate, however, starts with their sometimes 'accidental construction' during the colonial period and remains strongly shaped and limited by the greater powers.

Chapter 13, by Timothy Shaw, deals with the small island states of the Caribbean region: a collection of former (and some still present) colonies that have evaded the world's largest wars but are among those most heavily exposed to non-military security hazards. His analysis dwells on, and richly illustrates, the post-modern trends for which this region provides a prime laboratory. Regional and trans-regional networking, the dynamics of human crime and violence, the threat of climate change and the best-attuned governance responses, based on transnational networking and regulation – all operate just as much, and are equally decisive for good or bad security at the non-state as well as the traditional state level. Diasporas and 'transnational families', to give just one example, provide crucial flows of remittances but also 'export' Caribbean-style violence to other regions and facilitate the multi-billion dollar drugs trade. The concept of 'citizen security', an interesting counterpoint to the Nordic 'societal security' introduced in Chapter 4, has grown up to define the positive solutions for which local and global, state and non-state actors can and should collaborate. In terms of wealth, development and resilience, the Caribbean region (however defined) is very diverse and will no doubt remain so. Clearly, for all its small states, transnational threat factors and transnational solutions will determine future fortunes as much as, and often more than, any traditional security calculus.

In Chapter 14, Godfrey Baldacchino reverts to the generic theme of small territories worldwide that are endowed with statehood while lacking some or all of its traditional power characteristics. These face the starkest version of asymmetry, both in their regional and global relations; yet, as the author shows with rich examples drawn from all non-European regions, it is not impossible for David to survive the contest with Goliath. The variety and intensity of their experience is best understood if the nature of statehood can be re-framed in Foucault's terms as 'the smart deployment of actual and potentially available capacities to secure desirable fiscal, human, material, legal or geopolitical resources'. In an interconnected world, a small actor can sometimes extend a long way by such means, and can explore many niches that only make sense in terms of relations with larger counterparts such as 'offshore' services. However, intrinsic handicaps of smallness include the existential impact of quite small natural, economic and other events; the lack of a hinterland and of diversity, whereby a setback in one key sector may impose a total switch of profile or the large-scale export of population; and the ease of 'capture' by commercial, criminal or other external interests. Baldacchino concludes that any really small polity will go through a crisis sometime, the only question being when and of what

kind. Yet most such states, even when recently created, do survive; and the 'creative political economy' used by those who manage to prosper could offer lessons even to larger players on how to cope with the globalized age. If this finding echoes Griffiths' remarks on small states' economic adaptability, Baldacchino also recalls Archer's chapter by ending with a case of 'norm entrepreneurship' at the UN, where European and non-European small states wielded 'soft power' together.

The lessons

As stressed above, the study of small states as we seek to use it is not a reductionist theory. It may be approached through and combined with any of the dominant theories of International Relations (IR), from realism through to social constructivism and beyond. It is at its best, however, when it is used to test such theories through the exploration of outlying cases, and to challenge any over-monolithic view of either statehood or the international system generally.

Preparing this volume has been an exercise both in enriching and in challenging the 'small state' concept itself. First and most obviously, when talking about small states and security, the book's different sections show the complex nature of – and the need for a critical approach to – both terms involved. Small states themselves are just as diverse as any other constructed category in international society. They overlap variously with other categories, such as developing and developed; 'weak states' (in the twenty-first century sense); and well-governed states – modern and post-modern. Where they stand along these three axes – plus the axis of economic vulnerability, as discussed in Griffiths' chapter – provides perhaps the best starting-point for assessing the character and manageability of their security challenges.

Merely being small, or even very small, if a state enjoys external and internal peace and wise governance, may be a factor that reduces rather than multiplies security headaches. It eliminates the need to make a pretence of self-sufficient defence or even to create military forces at all. It dampens expectations of a significant outgoing contribution to global goods like peacekeeping and, rather, creates a supposition of importing help in natural and accidental emergencies. Such a state is arguably less 'state-like' than others in traditional IR terms, and the micro-states covered in Chapter 10 are the most extreme and clear examples. Add a modicum of flexibility and inventiveness to the mix, however, and small actors may emerge – as shown by examples in Chapter 14 – as remarkably well-attuned to the rules of survival both in today's and tomorrow's increasingly globalized world.

When things go wrong in security terms, then like Tolstoy's unhappy families, there are almost as many variants of trouble as there are small states themselves. Parts II and III of this book bear out the contention in Part I that newer, broader definitions of security, including non-state threats and economic and functional dimensions, can better capture the full spectrum of small state challenges than the post-World War II realist discourse, with its purely military and

territorial focus. To be sure, geopolitical location continues to be of central importance to small state security, but the case-studies in this volume illustrate how many small states inside and outside Europe have a considerable action space when deciding how to confront the challenges spurred by location and power politics. Accordingly, within the four-way framework proposed in Chapter 2, the small states covered in the geographical chapters emerge with very diverse combinations of security priorities. Only a minority of those discussed, such as the Western Balkan states and Sri Lanka, have the consequences of recent internal armed conflict near the top of their agendas, and this is in line with the slowly decreasing frequency of such conflicts (or at least 'major' ones) worldwide.[6] A larger number, from the Baltic States through to Singapore, are coping with prominent or residual threats from bigger neighbours of dubious intent. Just about all face economic challenges that call for constant effort and inventiveness to stay afloat, whether at a higher or lower level of wealth and development. All, to some degree, are open to issues of security of supply, transnational human challenges like crime, and natural ones like pollution and climate change, and various kinds of civil emergencies. A final variant in the mix is the perception, whether justified or not, of 'enemies within', which may be triggered either by long-standing ethnic divisions, or by concern over being swamped and culturally diluted by immigration.

To be of any use, this book's analysis cannot stop at documenting such issues but needs to consider how small states can best grapple with them. It is here that the 'relational' approach to small state identity, as proposed earlier in this introductory chapter, really proves its worth. Any small state in a region populated mainly by states of similar and medium size (such as Europe, the Caribbean or the Pacific) has different options from one whose only external relations – both with potential problem states *and* protectors – are severely asymmetrical. Further, both similarity and asymmetry vis-à-vis neighbours can make their mark on national predicaments at several different levels of absolute size. The common factors in the most problematic cases are quintessentially relational, and often include subjective or constructed elements: lack of room for manoeuvre, de facto compromised sovereignty, but also a sense of smallness as helplessness and victimhood that, at worst, may lead the small actor itself into bad choices. Hard though some may find it to accept, Chapter 9, on Georgia and Moldova, correctly notes Georgia's own contribution to the circumstances that triggered war with Russia in 2008. Critical observers might also see instances of counter-productive, provocative behaviour in the recent story of the Baltic States. Few could claim that all the small Western Balkan states, or Sri Lanka, are free of all responsibility for their own sufferings.

This only takes us as far, however, as concluding that small states in asymmetric situations may or may not find improved solutions by means that include their own wisdom and restraint. To explain more fully the differences reflected in this volume's chapters, another factor should be brought into the picture: the presence, absence and relative effectiveness of multilateral regional or subregional organizations. Chapter 2 proposes the hypothesis that small states

should have a better chance of moderating both their hard and soft security problems if one or more functional groupings of this kind are present. Such a thesis is in line with recent directions in small state studies that explore the generic relevance of institutions as 'shelters'– capable of supplementing or even supplanting the more traditional state–protector relationship (e.g. Bailes and Thorhallsson 2013). How far do the case-studies in Parts II and III of this volume bear this theory out?

The European cases covered in Part II actually fit it well. The Nordic and Baltic nations are all living with an asymmetric, historically threatening and still ambiguous neighbour, namely Russia. All have, however, gained high or very high levels of wellbeing and an almost complete immunity (by now) from military or political domination, with no crushing societal or economic costs in terms of their own militarization. First and foremost, this is thanks to their region being covered for hard security purposes by NATO (and by the US through NATO), and for economic and functional security purposes by the EU. However, the way that the two sets of states have worked together among themselves has also been an important and arguably essential part of the mix. By establishing strong and ostensibly de-securitized, inter-Nordic ties during the Cold War, the Nordic states have built a kind of security community that surmounts persistent divisions in institutional status and takes aggression or damaging competition among themselves out of the equation. More recently, overt Nordic security and defence cooperation has begun to address sub-regional challenges (including Arctic ones) in an efficient mode of subsidiarity and has enhanced relative Nordic standing in the European policy game. The Baltic States would not have gained EU and NATO entry so fast, nor have been able to exploit these institutions' cover so well, had they not teamed up for local security purposes and also drawn in Nordic advice and aid at crucial stages. These countries have added to their security by enshrining their relations with Russia in regional multilateral frameworks – the Barents Euro-Arctic Council and the Council for Baltic Sea States – that allow an inclusive web of linkages to be established between all neighbouring states and their societies.

The prospects of the Western Balkan states depend most obviously on their integration into NATO and the EU, the only extant frameworks powerful enough to overcome these states' recent mutual enmity and still-existing internal ethnic divisions. Sub-regional processes in this part of Europe were initially – and understandably in post-war conditions – designed from outside.[7] However, if one goes through the motions long enough, even in imposed behaviours, they may start to have a real transformative effect. Chapter 8 interestingly suggests that not only have key local actors understood the need to 'show willing' in their mutual relations for pragmatic purposes of accession strategy (hence the recent Serbia-Kosovo agreement), but that cross-border and wider transnational flows in the region are beginning to take positive effect both in concrete economic and in attitudinal terms.

The situation of Moldova and Georgia makes an instructive contrast. Their predicament can be put down first and foremost to 'location, location, location',

with Moldova being on the borderline of the EU's and NATO's present strategic reach and Georgia fatally beyond it. The Russia that has grudgingly accepted the Baltic States' full independence and Western integration is the same nation that has managed to prise away parts of Moldovan and Georgian territory, and to restrict (in practice) these states' strategic options. The presence or absence of Western – including US – ability and will to challenge Russia's local dominance is the most obvious variable in the two cases: but it is not the only one. The complete failure of the independent states emerging from the Western part of the former Soviet Union to create sub-regional groupings with real clout and mutual loyalty[8] is also important, especially when contrasted with Nordic, Baltic or non-European (to be covered shortly) examples. It bears out the relativistic slant of the relational hypothesis by showing that a small state may be effectively alone in handling a dominant neighbour, even when it has other neighbours of a similar smallness. Finally, and also to be discussed further in Chapter 9, Moldova's and Georgia's own weaknesses of governance and security management have aggravated their exposure to hostile interference, just as they have impeded their progress towards Western integrated standards.

It may be tempting to dismiss this analysis as Euro-centric. In fact, the chapters in Part III suggest that factoring in the element of regional and sub-regional organization does have a wider explanatory value, so long as variations in the local concept of statehood – and hence of inter-state relations – are taken into account. In Southeast Asia, for example, older traditions separate the strength and influence of states from their objective size, while modern approaches to multilateral cooperation eschew the internally intrusive imposition of standards that is central to EU-style integration. Yet the availability of the sub-regional ASEAN network to a small actor like Singapore, and larger frames like the ASEAN Regional Forum (ARF), where balancing tactics can be essayed towards China, has played a real part in minimizing and containing physical conflicts in the neighbourhood and in creating conditions for non-zero-sum regional growth. Chapter 13, on the Caribbean, explores in detail how the transnational and post-modern nature of most security challenges for that cluster of small states has drawn solutions based on regional and global network-building in its wake. This chapter, together with Chapter 14, rightly reminds us that just as the new security challenges are often of non-state origin, so the equivalent of regional institution-building in the business, NGO and civil society spheres can also be an important part of solutions – and one where notions of small state weakness under realist analysis become less and less relevant. To the extent that such approaches succeed, they reduce the need and scope for outside powers' interference and divide-and-rule attempts, and thus reinforce the need to rethink traditional realist logic if we are to understand the security challenges and opportunities of small states.

What seems to need more study, and is just starting to be more deeply probed in Europe, is the price that small states must pay for the multiple security benefits of institutionalization. Aside from direct expenses and the impact of intrusive standardization, serious burdens may be involved in shouldering the security agendas of other, larger and/or more exposed integration partners, and in

contributing to collective institutional interventions outside the home area. The normative hazard of having to espouse partners' self-interested and possibly aggressive policies is not wholly irrelevant here, though the risks are probably less than when bandwaggoning with a single large protector, who may make more arbitrary and extreme choices than an institution working by consensus. Further, the intrusive regulatory impact of the more deep-reaching multilateral structures may start to undermine national identity itself, in a way that traditional empires often markedly failed to do. It would be good to see more work done on investigating such benefit–cost equations of regionalization in non-European cases, including Eurasian examples like the Russian-led groupings and the Shanghai Cooperation Organization. Other areas not covered in this book, but where interesting variations might be discovered, are the sub-regions of Africa, Central America, and the cluster of small Arab states in the Gulf.

This discussion may appropriately end where Chapter 2 also ends: by noting the importance of internal security governance. No state, however small, is entirely without free will in this matter. The smallest states can be just as divided, corrupt, incoherent and inconsistent in forming and executing security strategies as any large state; they may even fall more readily into such traps when they discount the need for formal structures. Yet good internal governance, including intra-governmental and cross-sectoral coordination and a minimum of democratic control, makes a real difference to success in any environment and under any analytical framework. Realistically, this implies maximizing national strength and leaving no cracks for hostile forces to exploit (a point interestingly explored in Chapter 12). In a more post-modern environment, where institutional shelters are available, demonstrating good governance and 'interoperable' practices in this as well as other spheres can make all the difference in the feasibility and speed of integration, while at the same creating new challenges in the form of 'goodwill competition' among small states vying for influence over institutional inclusion and the attention of the great powers (Mouritzen and Wivel 2005b: 34–36).

As the Chapter 4, on 'societal' security will stress, this reasoning does not imply that any single governance model or terminology – least of all a Euro-centric one – should be imposed on all small states. It does mean that all of them would do well to ask questions about their internal as well as external practices, in the light of the analysis and empirical case-studies offered by this book.

Notes

1 'Should small states be categorized along geographic, demographic or economic lines, or do institutions, resources, and power hold the key?' ask Smith *et al*. in a discussion of small states (Smith *et al*. 2005). Students of International Relations are unlikely to deliver a uniform answer to this question, or even to agree on whether the question is correctly posed for an understanding of the nature and challenges of small states.

2 Important contributions to the realist perspective on international relations include, for example, Morgenthau (1948), Waltz (1979) and more recently Mearsheimer (2001). For discussions on the contemporary state of realism, see Booth (2011) and Lobell *et al*. (2009).

3 'Micro-states' in Europe are commonly defined to include Andorra, Liechtenstein, Monaco, San Marino and the Vatican City. See Chapter 10 in this volume.
4 Following Väyrynen, Archer and Nugent suggest that we combine objective factors such as 'size of diplomatic corps' and 'size of GDP' with subjective factors such as 'foreign governments' ' view of a state's size and capability' and 'domestic governments' ' view of its own state's size and capability' (Archer and Nugent 2002: 2–3).
5 See also the discussions by Knudsen (1996: 5) and Gärtner (1993: 303), which preceded the current development of the small state concept but introduced a similar critical approach to the power possession definition.
6 According to SIPRI (the Stockholm International Peace Research Institute), state-to-state conflicts in 2002–2011 averaged 33 per year compared with 53 in 1992. Cases of 'one-sided violence' halved in 2002–2011, while non-state conflicts initially halved during that period but then returned to 38 per year (Themnér and Wallensteen 2013: 52–57).
7 While the Western Balkans were covered by an earlier and larger Central European Initiative, the first sub-region-specific framework – the Southeast European Cooperation Initiative – was devised in 1996 under the guidance of the then Senior Director for Eastern Europe in the United States National Security Council, Richard Schifter. Its modern successor, the Regional Cooperation Council (RCC), is covered in Chapter 8 of this volume.
8 The problem has two levels. First, the states of the region are split as to their basic strategic orientation: towards cooperation with Russia (Belarus, Armenia), or towards the West and Turkey (Moldova, Georgia, Azerbaijan), with Ukraine often oscillating in between. Second, both the GUAM (Georgia, Ukraine, Azerbaijan, Moldova Organization for Democracy and Economic Development) grouping aimed at balancing Russia, and the Russian-led Collective Security Treaty Organization (CSTO), have severe institutional weaknesses including a failure to overcome the basic bilateral dynamic in their respective members' relations with Moscow (Bailes *et al*. 2007).

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2 Small states, survival and strategy

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Introduction and aims

The study of small states has implied, from its earliest days, a concern with their problems of survival. By definition, a small state – whether measured by absolute or relative size – has limited assets, and probably limited competences, of the kind that have traditionally brought power and influence in the international system. At the same time, it may well have something that bigger states want: natural resources, strategic location, or its allegiance, voice, and vote on the international scene. A major focus of small state studies to date has been to explore the predicament created by this combination of factors, and to discuss how the small state can best hope to protect its territorial integrity, political sovereignty, national identity and freedom of action. What can this book, and this chapter, hope to add?

One answer is that definitions of security change over time, so that the questions previously addressed under this aspect of small state studies may now look incomplete or wrongly balanced. The earliest literature was influenced by a realist and/or geopolitical model that interpreted international relations as a self-interested, zero-sum, ultimately anarchic competition among states. In such a tough game, any smaller player was by definition endangered: facing not only physical invasion and incorporation, but also the risk of political blackmail and reduction to 'satellite' status (Keohane 1969; Vital 1967; Handel 1981). Small states could in practice only protect themselves by seeking voluntary or semi-voluntary 'shelter' from a larger state (also described as 'bandwaggoning'), or joining other more modest actors in 'balancing' the source of threat (Walt 1987; Scheuerman 2009). Later, as liberal internationalist, institutionalist and social constructivist perspectives were added,[1] it became relevant to ask how far international organizations – military alliances and others, at the global and regional level – might serve similar purposes for a small state, and what different cost-benefit balances they would entail (Wivel 2005; Bailes and Thorhallsson 2012).

More recently, scholars have also addressed small state vulnerability and the possible solutions in the field of economics, including international finance and trade (Katzenstein 1984, 1985; Briguglio *et al*. 2006). This approach gained an obvious boost with the global crash of autumn 2008, when small

states were among those suffering most, and the wider strategic impact of economic crisis was patent (Thorhallsson and Kirby 2012; Tranoy 2011). Finally, studies on small states outside Europe, notably in the Caribbean and Pacific, have recognized from the start a distinctive and less traditional security spectrum: vulnerability on the one hand to non-military violence and subversion – internal insurrection, externally-driven coups, crime, and 'capture' by drug-smuggling or other corrupt interests; and, on the other hand, to environmental hazards such as water shortage, pollution, and natural disasters (e.g. Cooper and Shaw 2009).

Combining all these aspects of security would produce quite a comprehensive spectrum, even by today's standards. The problem is that few, if any, small state studies have yet integrated the military/strategic, economic and other non-military dimensions into a comprehensive and balanced security agenda, allowing the full profile of a nation's challenges to be drawn *and correctly related to its smallness*. Without such a conspectus, statements cannot safely be made about the range of solutions currently available for small states, let alone about their relative merits. Moreover, the security agenda has tended to be applied in a fragmented way to states in different regions of the world. Mainstream literature on Northern-hemisphere small states has highighted politico-military threats and economic vulnerabilities, while the 'softer' dimensions of security have been explored mainly for developing regions. The modern discipline of (intra-state) conflict studies, meanwhile, has yet to develop a distinct 'small state' branch, as its concepts of state 'weakness' and 'failure' are not directly tied to size.[2]

Only by applying the whole range of potential security questions systematically to small states in different locations can it be possible to map the objective variations in their strategic plights. Only by recognizing this diversity, in turn, can differences in national security visions, priorities and the choice of remedies be understood and respected. Prescriptions based on the Euro-Atlantic literature risk seeming West-centric in other eyes, and doing less to help precisely those with the most intractable problems. Finally, for small states of all kinds, *internal process* in the security field – strategy-forming and decision-making systems, inter-agency and public/private coordination impact of political culture and public opinion – remains under-researched. One can hardly yet make comparative evalutions in this field, let alone detect features of security governance specific to the small state.

This whole book is an attempt to bridge these gaps, and this chapter aims to provide it with a common tool-box. First, we shall review current multifunctional definitions of security, and suggest a spectrum of issues *prima facie* relevant – in some combination – for all states covered in this volume. Second, the implications of smallness itself for states confronting such security agendas is discussed. Third, we explore the currently available range of policy responses and coping mechanisms. Fourth, pointers are offered for probing security governance within the small state. A final section sums up the questions addressed to later chapters of this book, and speculates on possible findings.

Defining a security agenda

As already noted, security concepts and definitions evolve together with changing ideas on the appropriate frame of reference, on 'actorness' and on the nature of the international system. The realist and Westphalian approaches in combination made the nation-state the key actor and saw security success or failure in terms of territorial integrity and external influence, together resting on traditional military and (under the mercantilist view) economic power. In the late twentieth century, and especially since the end of the Cold War, an appetite for new approaches was fuelled by such visible trends as a reduced military confrontation among the greatest powers; an overall drop in numbers of armed conflicts, and their predominantly intra-state character; the march of globalization; and the linked realization of limits to the nation-state's authority, including its monopoly of violence (Bailes 2006; Guéhenno 1995). One result has been to broaden the range of issues seen as belonging to security or having security aspects. No hard line can now be drawn between external (international) security and 'internal' security issues such as crime, law enforcement and internal order. Non-state violence by conflict actors, terrorists, pirates and other criminals offers its own challenges to a state's authority and integrity; while governments are called on to protect their citizens in 'softer' dimensions, such as accident reponse and infrastructure protection, natural disasters, pandemics, environmental security and security of supply. Such an extended, heterogeneous version of security is often called 'comprehensive' or, more neutrally, 'multi-dimensional' (Williams 2013).

Coinciding with this is an interest in exploring other frames of reference than the nation-state, from the globally measured 'state of the earth' downwards.[3] Influential concepts look below state level to assess security at the level of society – 'societal security'[4] – or to make the individual the measure of both problems and solutions ('human security').[5] Broadly speaking, the language of 'societal' and also 'comprehensive' security has been used more often in the Northern hemisphere and in other advanced countries, where it has a flavour of seeking to conserve existing security benefits and civil rights. 'Human security', which sees the individual in sore need of help to achieve both 'freedom from fear' and 'freedom from want' (i.e. basic necessities), was first conceived to tackle problems of development. It has since been used *inter alia* as a rationale for 'humanitarian' intervention, typically by actors of the global North in the global South.[6]

It is logical and timely that the last decades have also produced a theory about security theories: the discourse of 'securitization' associated with Ole Wæver and his 'Copenhagen School' (Buzan *et al*. 1998). Briefly, this posits that no permanent 'true' definition of security exists, and asks how the name of security gets attached to different things over space and time. Its authors saw this happening through a 'speech act' addressed typically by those in power to a national audience, indicating a manifest challenge of some new kind which – if the audience accepts its 'securitization' – can be tackled with the tough methods of

traditional security governance. The classic case from the last decade is the way George W. Bush's US Administration re-labelled terrorism, after 11 September 2001, as an existential threat that justified a permanent 'war' against its perpetrators and supporters, even at the cost of infringing certain laws and liberties. The value of securitization theory lies not only in predicting such cases and warning of their consequences, but providing a simple transferable model of how they arise. However, subsequent writers have (among other things) queried the validity of the model in some non-Western settings, and noted that securitization may happen from below if the authorities are not tough enough on something the people – rightly or mistakenly – care about.[7] Refusal to securitize, or what the theory calls de-securitization, is not necessarily better for the human race as a whole than over-securitizing (Emmers 2009).

With security concepts multiplying and shifting, where to find a workable matrix for classifying and comparing small states' actual concerns? We may start by looking at agendas they have defined themselves, whether in universally applicable UN statements (UN 2005), or documents from the Organization for Security and Cooperation in Europe (OSCE 2003), NATO, the European Union and corresponding security organizations in Africa, the Americas, Asia and the Pacific.[8] Such collective statements can also pinpoint areas for multilateral security cooperation, give mandates to the organizations themselves and set norms to be aimed at by any less evolved states within the group and candidates seeking accession. Characteristics found in all of them, at least from the mid-1990s onwards, include:

- a *broad multi-functional approach*, where traditional military threats are supplemented or shifted from the centre by concerns about other forms of violence – intra-state conflict, terrorism, internal oppression and genocide – and human/societal hazards such as accidents and disasters, supply problems, climate change and pandemic disease, plus economic/social weaknesses that both aggravate such risks and damage humans directly. The concept of threats has thus given way to a wider class of risks, which give 'more importance to perceived future consequencess than do threats', and may also be self-inflicted (Rickli 2008: 314; see also Bailes 2007);
- a recognition that many such challenges arise above the level of the individual state or of local inter-state transactions, becoming *transnational* or fully *global*, and thus demanding international approaches both to assessment and remediation (Baylis *et al*. 2011);
- a growing understanding of the security roles for good and ill of various *non-state actors*,[9] who at worst may both undermine the state's authority from within ('weak state' syndrome), and exploit the transnational space to move and multiply. When this allows apparently weaker players to damage stronger states it produces *asymmetrical* violence, of which terrorism is a prime example. Reversing the realist assumption, the conflict management discourse thus now speaks of the need to *restore* a state monopoly of violence, while at the same time *qualifying* it by placing the state's own agents

under the law and seeking security partnership and burden-sharing with benign non-state actors;

- an ongoing multiplication of institutional roles in the security equation. More international organizations (from UN agencies downwards) become relevant as security definitions widen, while existing institutions are extending their agendas in response both to local needs and external urging. More regional institutions are also undertaking direct security interventions (military and civilian peace operations), while NATO and the European Union have both claimed competence to intervene anywhere in the world (Bailes 2006).

Added to all this is a growing tendency (at least in democratic and transitional states) to challenge the self-justifying, self-regulating tendency of traditional security establishments.[10] When security is understood as protecting not just life but the quality of life, security concepts and actions must be tested against the political values that safeguard life's quality, including equality under the law, transparency, democratic accountability, respect for all kinds of rights and – not least – affordability. A good conceptual example is the constitutive act of the African Union (African Union 2002), which lays out three strongly interdependent goals of conflict resolution and security building, *democracy building* and sustainable development. This may seem little more than an aspirational formula for many parts of the world; but it finds a practical echo in the resources being channelled by all main security institutions and aid donors into 'Security Sector Reform' – an approach combining efficiency with law-based democratic accountability across the whole security field – in post-conflict and transitional environments.[11] At the same time, all viable states, whether large or small, are increasingly expected to contribute, more or less altruistically, to peace missions and other forms of assistance for the less fortunate. Together, these trends are expanding the conventional notion of state performance beyond what used to be called 'good security', to include the expectation of 'doing good' in the security dimension at home and abroad. Inevitably, these standards, set by the supposedly most advanced states and organizations for others to follow, are sometimes most flagrantly ignored by the most capable players – when it suits them.

Against this background, and drawing on relevant institutional and national documents, Table 2.1 presents a matrix of security issues hopefully wide enough to cover all regions featured in this book. It groups hazards by the type of action involved, on a range from the 'hardest' to the 'softest', but also in terms of agency. Thus package 'A' covers inter-state and state-targeted actions, including classic 'geopolitical' threats, but also internal conflict. 'B' concerns non-state and asymmetric damage of human origin, largely but not always intentional (*vide* migration). In deference to the small-state literature, 'C' creates a separate category for economic and social challenges arising from weakness, malfunction or miscalculation in 'normal' aspects of community life; and finally, 'D' combines events and processes of accidental or 'natural' origin. The listing within each column also reflects a gradient of agency, moving from the more

Table 2.1 A possible 'comprehensive' security agenda for small states

A. Military, 'hard' security	*B. Non-state violence (conflict actors apart)*	*C. Economic security*	*D. Accidents and natural hazards*
State attack	Terrorism	General economic and financial viability, including problems of underdevelopment	Major deadly accidents, including NBC* release
Caught in crossfire	Violent/organized crime	Security of supply (food, energy, other essentials)	Infrastructure breakdown
Subversion, sabotage	Smuggling of strategic goods	Severe social weaknesses/divisions (including issues of demography)	Pandemics
Political or economic blackmail, forced clientage	Other 'asymmetric' attack, e.g. cyber-attack		Natural disasters
Coup from outside	Illegal migration, trafficking		Environmental degradation, resource exhaustion
Internal (armed) conflict, including top-down violence			Climate change
Severe civil disorder			

Note
* Nuclear, biological or chemical.

'traditional', intentional and state-linked acts down to the more informal or unintentional. It does not aim to quantify probability or seriousness of impact, which can vary widely anyway within most categories – objectively, and in terms of nations' perceptions. This volume's geographical experts will be invited precisely to explain how far, and why, these issues do or do not figure in the security concepts and priorities of each state or region addressed.

Specific challenges for small states

In principle, for any given threat or risk, smallness could be a positive, a neutral or a negative factor. It must always be a handicap in tackling the 'hard' threats of package 'A' above, unless the small state is clearly harmless and lacking in assets that others might want. (Even then, what other states want varies over time; the relaxed environment for small Pacific islands today was different during colonial expansion or the naval struggles of World War II.) The chances that smallness will be at least a neutral factor grow as the spectrum shifts towards categories 'C' and 'D', where a limited territory and simpler socio-economic structure could also limit exposure and simplify risk management.

One constant, however, is the small scale of state resources, including human resources – which in small bureaucracies may be under-professionalized, under-specialized or skewed towards certain specializations. Combined with shortages of cash, reserve stocks, equipment and related technologies, this narrows the options available to a small state's leaders both for mitigating risks and responding to crises. Facing an inevitable deficit of power – to coerce others and resist coercion – they must choose between seeking either autonomy and detachment, or alternative ways of controlling their interactions (Mouritzen 1997: 101–106). This translates into two broad strategic options: a defensive posture focused on autonomy and avoiding trouble, traditionally expressed as neutrality; or a proactive posture using different cooperative schemes (national and international partnerships, organizations, regional and global activism) to seek both essential protection and magnified influence (Rickli 2008). As will be seen in this and the next section, current circumstances are pushing towards the second and more proactive range of behaviours, at least for developed small states, and across all security dimensions.

One basic reason is that in a security environment shaped by wider definitions and growing international interdependence, the pursuit of neutrality, at least in traditional forms, risks leading to defensive isolationist positions that trap the small state into marginalization (Rickli 2010b). To avoid this and make up for its own limited capacity, a small state is *prima facie* more prone than the average to seek solutions through external engagement and partnership. Yet this implies a degree of more-or-less permanent dependency; while other costs may include a 'quid pro quo' for the external provider, but also – in institutional contexts – the far-reaching adaptation of national systems and policies (Bailes 2009, and see the next section).

More specific small state vulnerabilities are reviewed in what follows. Starting with 'A', a small state is inherently vulnerable to military attack, especially

if its territory is also small and accessible. If claiming neutrality, it is unlikely to have the physical force to repel combatants who catch it in cross-fire or want to exploit its facilities.[12] An aggressor may be able to control the state through political and economic leverage without firing a shot, as has often happened to 'tributary' nations on the frontiers of large states and empires. A small state apparatus can also be more easily overmastered by an externally aided coup,[13] by subversion and sabotage or by internal violence in the form of civil disobedience, rioting and breakdown of order.

When it comes to the currently prevalent form of intra-state conflict involving an armed contestation over the organization of the state's territory or nature of its government,[14] a small government's authority can easily fall foul of external meddling, *inter alia*, by diasporas. However, such conflicts can and do result also from home-grown divisions, with or without aggravation by bad government. Ethnic, religious and/or cultural diversity has prompted violence within the small states of the former Soviet region, the Western Balkans, and Southeast Asia among others – all examples to be covered in this volume. There are risks also in the internal stratification of cosmopolitan small states (e.g. in the Gulf) that attract foreign residents and often depend on migrant labour. Small state politics can be vicious and polarized precisely because they are so easily personalized, and rival ideologies can generate violence as seen, for instance, in Central America and the Caribbean in the past. Finally, the small state may be directly born of conflict when it breaks out of a colonial empire or parent nation – perhaps itself relatively small, as in the cases of Kosovo vs. Serbia, Transnistria vs. Moldova and Abkhazia and South Ossetia seceding from Georgia in 2008. In such cases both the 'broken' and the 'breakaway' state have to find a way of consolidating their identity and healing the scars of conflict – with fewer assets, and perhaps less intrinsic credibility, than an average-sized nation would enjoy.[15]

Continuing to category 'B', smallness remains an a priori handicap for confronting less traditional forms of human violence. A few terrorists, other extremists or criminals can all too easily grab a small and exposed centre of power. A single terrorist atrocity might cripple the national infrastructure, while scaring off tourists and investors. Terrorists aiming at a third nation might strike at their targets when transiting through a small state, counting on a lower level of preparedness and protection. Smugglers of everything from drugs to weapons of mass destruction take a similar interest in small state routes and hideaways. Criminals may conserve the state structure while infiltrating and manipulating it to their profit, as some observers have alleged in new small states like Montenegro (Naim 2012). The small state may suffer here also from a lack of investigative media and civil society groups able to expose abuses. Finally, small states are not intrinsically disadvantaged in cyber-warfare, as they may more easily find working alternatives if ICT systems collapse. Indeed, the asymmetric nature of cyber-weapons offers small states one of their few ways of making trouble – if wished – for much larger ones. But they may be dangerously exposed if too enthusiastically embracing 'e-governance' without adequate security expertise and technical protection.[16]

The economic security complex – category 'C' above – is well documented, and has its own chapter in this volume.[17] Suffice it to say that smallness may bring some benefits, implying less socio-economic complexity and hence simpler tasks of economic management. It offers flexibility to seek new niches in international competition, as shown by the many small states that have prospered as banking centres, transport and communication hubs and tourist attractions. However, a small economy is almost inescapably vulnerable at three levels: limited own resources imposing high import dependence (for food, energy etc. and also capital and technological knowhow); a narrow and specialized economic structure with few wealth-producing pillars; and above-average 'openness' to external dependencies, influences and market fluctuations – in turn mostly generated by larger players (e.g. Katzenstein 1984, 1985). The attempt, in itself rational, to find a money-making niche independent of size can lead to disproportionate damage if the gamble fails – which can happen *inter alia* because small elites lack ability to assess and insure against the risks (Schwartz 2011; Thorhallsson 2011). In a poorer nation dragged down by under-development and struggling for international competitiveness, economic dependency (in this case, on aid) can reach a point that seriously calls in question the other attributes of sovereignty.

Physical smallness is no protection against the accidental and natural hazards in category 'D'. Haiti's earthquake catastrophe of January 2010 was an extreme case, but only one example of the disaster spectrum – including tropical storms, tsunamis, internal floods and volcano eruptions – threatening small nations in the Caribbean and worldwide. Some small island states in the Pacific and Indian Ocean face total immersion by rising sea levels consequent upon global warming. Short of that, extreme events and more gradual climate changes could tip the balance against economic survival by destroying key habitat features and polluting or exhausting natural resources. When pandemics hit, small states need not suffer disproportionally as their defences (e.g. vaccination campaigns) are easier to organize; but in small elites, even a few infections and deaths could deprive the crisis management effort of crucial expertise. In cases of infrastructure failure and accidents, a lack of redundancy on the one hand and of specialized response assets and expertise on the other are the default aspects of small state vulnerability. Island states lack neighbours to bring immediate aid, but land-locked states relying on cross-border systems for energy, transport and communications are doubly at risk: their own access is hostage to others' actions, but they also suffer the knock-on effects of neighbours' disasters.

Across this whole threat/risk spectrum, it bears repeating that there is no 'typical' small state profile. The problems looming largest for each nation are determined by objective factors of territory size, geography, climate and habitat; but also by political features of the neighbourhood and larger region, the level and direction of economic development, and human and societal factors including population movements and tourism. As the next two sections will show, moreover, knowing one's threat/risk profile is only the first step towards a security policy (or 'strategy') capable of averting threats, minimizing risks and protecting the best interests of both nation and people.

Small states' strategic options

Few small states in the world today have problems simple enough to be managed ad hoc. Most face complex challenges, opportunities and responsibilities that demand a conscious effort of assessment and planning, often leading to a document called a security 'strategy' (Bailes 2009). In a comprehensive security context, where many different public authorities are involved, strategy design needs to be a whole-government process. As argued above, it should ideally also draw in (benign) non-state actors; be answerable to representative institutions and the people; and allow for external activism – altruistic, or to meet defined commitments. Assuming such a self-aware and rational approach to meeting a given small state's challenges (which cannot always be assumed, see next section), what *prima facie* options are available?

'Hard' security and inter-state diplomacy

The literature provides its clearest answers for traditional 'hard' threats and geopolitical disadvantages. Military-strategic protection may be sought from the nearest powerful state; from a remote large power, *inter alia* to protect against the nearer one(s); or by grouping with larger variety of partners as a 'balancing' measure. The first two options can also be seen as types of 'bandwaggoning' (Walt 1987). Any of the three strategies may be formally expressed as a bilateral or multilateral 'alliance', and they are not mutually exclusive. Lithuania, say, may rely ultimately on US strategic protection against Russia, but qualifies its bilateral dependence by entering the multilateral alliance, NATO – which in some sense also constrains the exercise of US power – and seeks practical cooperation with Russia for added balance and risk reduction.

Few, if any, small states today can get by without some of these basic geopolitical devices, but all carry prices and penalties reflecting the 'realist' world of interest-based calculations that they inhabit. Large protectors can abandon smaller partners when their own cost-benefit balance changes. The 'price' they charge may involve so much intrusion into the small state's affairs, and pressure for uncritical support, that it leaves the small actor hardly more freedom of play than a hostile takeover would. These effects are softened but not eliminated when the interaction takes place within a defence organization, as existing alliances (even NATO) use an intergovernmental form of governance that barely cloaks the underlying power-play and large-power dominance.[18] At the extreme, a small state may serve expressly or de facto as a 'forward base' of a remote power in the flank of the nearest one, like Cuba or Taiwan, thus involving it in strategic tensions and risks of an exceptionally high order (for both parties!) as the price of its protection.

Small states suffering internal conflict, misrule or disorder also attract large state interventions: Grenada and Panama are examples involving the US, and there have been several such cases between the Russian Federation and its neighbours since 1990.[19] Another variant is intervention by a former imperial state:

the UK in Sierra Leone (2000) and France in Côte d'Ivoire (2002). Typically, the intervener sponsors a new regime that may be a puppet or relatively independent, and not necessarily dysfunctional, but which is not the small community's own choice and may thus sow further seeds of instability.

A less objectionable solution under current thinking is for the UN, or a multinational regional organization mandated by it, to take charge. In East Timor and Kosovo, the UN even provided a temporary administration, offering time and support for true self-government to develop. While avoiding the cruder forms of big-power abuse, these methods have their own fragilities: the 'multiple personality' of the responsible organization may weaken its vision and will, and extended tutelage may sap rather than speed the growth of a self-sufficient state.[20] With its diplomacy effectively outsourced to a distant authority, the protected territory also risks being cut off from natural intercourse with its neighbours. This problem is avoided, and practical results often improved, if a local regional organization can take the lead in rehabilitation and offer the 'carrot' of eventual membership in its ranks.[21] Finally, a new small state created by 'breakaway' must normally find ways of protecting itself against its former motherland; but it can happen that a former colonial owner remains the chief defence partner (e.g. for Pacific and Caribbean states). Some or all states born of a single break-up may also try to bond together – cf. the sympathies among certain Western Balkan successor states, or the post-Soviet GUAM organization, where Moldova, Azerbaijan and Georgia cooperate with Ukraine.[22]

Small states' own military policies have also undergone two fundamental reassessments in recent decades in face of the broadening of security agendas and the increasing institutionalization of security (Rickli 2010b). First, the traditional dichotomy whereby police forces guarantee domestic security, and armed forces defend the borders and beyond, has been completely blurred. Today's post-conflict operations increasingly rely on international police forces drawn from national contingents (Lutterbeck 2004). Similarly, the domestic role of the armed forces can now extend to supporting counter-terrorist efforts, critical infrastructure protection and disaster response and relief. Second, new-style international operations are very often distant and involve close multinational collaboration. To take part, even the smallest state needs *interoperable* expeditionary capabilities.

Small-state armed forces thus face more varied missions requiring ever more sophisticated materials and professional personnel. Small military forces with limited assets, traditionally relying on conscripts, have obvious problems coping and must be ready to change both their priorities and methods. For national needs, the military must increase cooperation with civil forces, and consider drawing on external (often, large-state) expertise for tasks such as counter-terrorism, NBC protection, airspace policing or border control against illegal immigration. At the international level, they must find capabilities useful for the type of operations they would like to take part in (peacekeeping, peace enforcement, stabilization, reconstruction), which often means finding 'niche' specializations (Rickli 2008). Focusing on such special tasks can endow small states

with unique capabilities and expertise, tradeable as a bargaining chip in international partnerships; but it further undermines their ability to develop full-spectrum capabilities. The overall result is to make small states even more dependent on their stronger partners, both for addressing the full range of security missions, and probably for their own basic territorial defence

Modern small states can try to mitigate 'hard' realist challenges one further way: by directing their own influence towards changing the rules of the game. Given sufficient capacity to act internationally, and understanding that consistent international rules and norms are more reliable than any single protector, they may leverage their 'innocent' and non-threatening nature to nudge larger powers towards the 'appropriate behaviour' of non-zero-sum peaceful cooperation. Ingebritsen (2002), for instance, shows the five Nordic states making a measurable impact on global norms and ambitions in the fields of sustainable development, peaceful resolution of conflict and resource transfers from rich to poor. Starting from a remote geographic location and with limited material powers, the Nordics have sought multiplier effects for their ideas through institutions, especially those – UN and OSCE – where many members are small-to-medium states and likely to sympathize. They have formed 'coalitions' for specific reform agendas with like-minded but larger states, such as Canada and South Africa. As Ingebritsen concludes, in the Nordic states 'a group of military weak, economically dependent small states pursues "social power" by acting as a norm entrepreneur in the international community' (Ingebritsen 2002). The same pattern could be traced in the behaviour of a state like Costa Rica in South America, and some smaller players in Africa and South-east Asia, as well as New Zealand.

Wider security and new institutional roles

This last remark makes a bridge to the handling of security issues from security packages 'B', 'C' and 'D', where the traditional model of small-state options starts to break down. Threats from non-state actors cannot be stopped at borders nor conquered with purely military force, as recent events in Iraq and Afghanistan (or Somalia for that matter) have abundantly shown. Protection and tutelage from a capable larger state will certainly help, but the small state's 360-degree exposure to transnational effects makes it extra-dependent upon a coherent and helpful international community. Similarly in economics, if the small state is not reduced to a de facto province of a neighbour's economy (as are micro-states such as San Marino in Italy, see Chapter 10), it must engage with a variety of suppliers and customers and work to reduce risks both by balancing between them, and sheltering under international rules and institutions. For the hazards in group 'D', it is again unlikely that a single nation can offer protection unless the small state is virtually absorbed in its own infrastructure – thereby also sharing its own risks. More usually, the small player must supplement its limited capacity by working with all its neighbours (as these issues often cut across normal political divisions), and with international and institutional partners from UN agencies downwards. In all these non-miltary fields, non-state

actors can positively reinforce small-state security governance when they are strong, experienced and ethical; but their malign effects can rarely be mastered without international help.

It is in these contexts that the *institution as shelter* moves to centre-stage, thereby raising questions that challenge the classic realist analysis of small-state options – together with their cost-benefit tallies. International and regional organizations are increasingly important providers of 'soft' forms of security to tackle new or newly prominent threats. Regional groupings everywhere in the world[23] have adopted joint approaches since 2001 to non-state transnational phenomena like terrorism, smuggling and piracy, while many now also address natural disasters, environmental security objectives and disease control. The EU, with its unusually wide and deep competence, offers small states a new approach to economic security; support for 'homeland' security through its Justice, Liberty, Security programme and Schengen system; and regulatory and practical support on every issue in category 'D' (Bailes and Thorhallsson 2012). In these sectors, small states can draw variously on pooled assets (central EU funds), a continent-wide regulatory framework, best practice lessons and emergency assistance. For those sensing 'hard' security threats, like Finland and the Baltic States, the EU provides a certain political and existential security; and its enlargement offers the best hope of eventually ending conflict among and within the Western Balkan candidates. It has many tools also to address small states' problems beyond its borders, ranging from military deployments under the Common Security and Defence Policy (CSDP) to instant humanitarian aid (Giegerich 2010).

As seen all too plainly since 2008, the European Union cannot shelter small states from economic crisis, nor spare them the pain of adjustment to fluctuations in the neo-liberal international economy. Yet cases like Ireland's also reveal a two-way interdependence: the EU has not felt able simply to abandon its problem children or leave them to the mercy of outside providers (like the International monetary fund (IMF)) – as the non-EU member Iceland was left over the same period (Thorhallsson and Kirby 2012). In any case, the 'sheltering' value of the EU for its smallest players does not rest only on its concrete record of success in security provision, where the minuses are obvious. Given its principle of members' basic equality, which applies especially in its common foreign and security policies,[24] the EU offers small states a new context for asserting their interests vis-à-vis larger neighbours and in global policy making. Its intangible political and existential influences, as well as the constraints of formal joint policies, go further than any old-style bilateral or multilateral alliance in restraining the biggest members from 'throwing their weight around'.[25] Last but not least, small states can use non-traditional routes to influence through their dealings with and inside the European Commission and European Parliament. In sum, the EU:

> can no longer be written off as a purely economic actor or dismissed as an inefficient security provider, despite the fact, that its 'hard' security role

> remains minimal. The EU's unique soft security features offer small European states a kind of 'escape from smallness' that no other known security construct has been able to provide.
>
> (Bailes and Thorhallsson 2012)

The EU is admittedly unique in its combination of post-realist, post-Westphalian features. It may change the security calculus for a score of small or smallish states (members and applicants) in Europe, but no other region offers the same depth or variety of multilateral 'shelters' – including NATO and others. However, there are several further parts of the world where the institutionalization of security agendas is advancing, either replacing or supplementing small players' more basic strategic choices, and extending cooperation to new domains of security, including internal and transnational ones. Nor should the United Nations be underestimated as a security resource for the small, just because it plays a more marginal role in European security.

This makes it important to acknowledge that institutional 'shelters' demand their own price from small actors, and in ways partly more insidious than those of national protectors. The small state that gains a larger voice in such a forum often also attracts larger burdens: not just cash and in-kind contributions, but the need to embrace all other members' security agendas (Wivel 2005) and help carry the institution's flag abroad (literally, in peace missions). The transformative, homogenizing processes described by social constructivism theory (Williams 2013) and the 'Europeanization' concept are *prima facie* likely to work faster on a small elite, and a small society with a narrower set of traditions. On top of this, in the EU case, comes a mass of directly applicable legislation that does not simply replace, but adds major new outgrowths to, the home-grown legal/judicial system. In short, small-state Euro-sceptics are not wrong to argue that serious modifications of sovereignty are involved in such solutions, and to intuit that the ultimate effect on identity will be deeper than that involved in simply courting or imitating a large protector. Integration may be a potential 'escape from smallness', but the smallest will arguably pay for it with the most lasting transformations, whatever second thoughts they may later have about the bargain (Bailes 2011).

Inside the small state

The last section has shown the daunting challenges of designing a viable security strategy for any small state. Putting it into practice is no easier. The task must be tackled in a political, social and human context that is becoming more complicated and confusing for everyone as the security agenda and range of relevant actors grow wider. Facing an above-average gap between the security challenges facing it and its own ability to master them, the small state needs *a fortiori* to over-perform in this mode of strategy-making and execution. What are its chances of doing so?

Only a few pointers can be offered here for our test-case studies.[26] First, does the small state have an explicit risk assessment process, and, if so, what quality of

information can it draw upon from home or abroad? Does it strive for objectivity or are its calculations of urgency and priority affected by the typical biases: tradition and habit, over-generalization of latest experience, social anxieties and antagonisms, over-focus on more 'acute' and 'shocking' incidents? Does it include informed non-state actors in order both to pick their brains and get a better picture of their characteristic risks (e.g. corporate security concerns)? In more theoretical terms, who 'securitizes' and are the right actors 'securitizing' the right things?

Second, how unitary are the nation's perceptions, principles and values for defence and security work? A small state can be as divided as any other on these matters, along personal and political, ideological, ethnic, provincial, generational, gender, confessional and other lines. If not addressed, such rifts can result in policy see-sawing, contradictions and unstable compromises, or no clear strategy at all – as a way of dodging divisive debate. This is especially damaging for a small state that has trouble in getting its voice heard to start with, and needs to say something strong and consistent if it wants others to listen.

Third, what are the official structures for security policy assessment, decision-making and execution? Do they include a clear centre and line of authority, *inter alia* for dealing with external actors? Do they make enough provision for coordination across all the sectors now likely to be involved? Is there some kind of 'situation centre' where information can be pooled, fast decisions taken and resources deployed in an emergency? Typical weaknesses of developed small states here are to assume that no formal structures or plans are needed since so few people need to interact; to keep things decentralized, matching a multi-polar political balance among different parties or individualistic politicians; or to be generally too relaxed, perhaps because of perceived lack of 'real' (hard, military) threats. Conversely, power may be over-centralized and -personalized, neglecting grass-roots needs and opinions and using 'hard' methods to excess; this can also reflecte a 'fortress' mentality that waits too long to seek needed help abroad. Finally, weak and conflict-ridden administrations that struggle to keep minimal control of defence and internal security challenges may have to leave 'softer' contingencies to a mixture of traditional social resilience and un-filtered foreign aid.

Fourth, how well does the national strategy identify and deal with external influences and demands? We have seen that a small state must expect to 'pay' for full-spectrum security partnership and protection with an increasingly wide and subtle set of adaptations to its own national starting-point. In extreme cases, including newly-created states and those starting afresh after conflict, a foreign – national or institutional – model of strategy may be implanted almost wholesale. This has its merits, especially in palliating lack of expertise and bridging or rising above internal divisions; it may trigger real transformations, notably when the incentive of an accession process is present. But such situations can be dangerous if they lead to changes in national behaviour whose rationale only the elite understands, and that are not clearly explained to, let alone accepted and internalized by, the people. An example would be tough laws brought in at US (or other Western) behest against terrorism and WMD (weapons of mass destruction) proliferation in nations that have never been touched by these problems,

and whose best experts may struggle to make sense of them. Another would be sending people abroad on missions unrelated to national defence, which the elite see as 'payment' for international sympathy and status, but which the public revolts against when casualties occur. In highly integrated regions, as we have seen, something slower but deeper goes on as states import agendas and norms, are schooled in reciprocal solidarity, and acquire co-ownership of genuinely collective interests emerging in the supranational space.

How to accommodate all this in national security strategy is something that even today's most advanced states are struggling with. For a small state where the proportion of 'imports' will be *prima facie* higher, what matters above all is that policy makers are *aware* of the process and – at least – try to make the public see the instrumental logic of their new, constantly evolving activity profile. If they can relate it to a strong unitary conception of underlying national interests, their task is naturally much easier (Bailes 2009).

Summary and conclusions

The main argument of this chapter is quite simple. Security challenges for small, as for all, states have diversified in the last decades partly as a result of new definitions. This implies a need also for new solutions and revised overall strategies. To help in testing such propositions against individual states' and regions' everyday reality, we have offered a sketch of the evolution of security concepts; a meta-analytical tool for probing them (securitization); a practical matrix for classifying threats and risks; a discussion of small states' particular vulnerabilities and security options; and a set of questions on internal security governance. The authors of both functional and geographical chapters in the rest of this volume are invited to draw upon this tool-box, but also to challenge it if they find it – despite the authors' best efforts – too West-centric, ill-adapted or incomplete. At the least, we may expect small states in different regions to have different security profiles and priorities, explicable *inter alia* by geopolitical differences, state strength or weakness and the level of development. It will be intriguing to see how far the intangibles of political/security 'culture', identity and perception also come into play.

While this question remains open it would be presumptuous to suggest conclusions, but one hypothesis may be permitted. In the European region at least, new and widening security challenges have been a factor pushing most small states towards the deepest available forms of regional integration: a solution apparently viable enough to have led many to make serious sacrifices for it. This new approach does not necessarily replace more traditional manoeuvres to deal with old-style, big-power challenges, but can either be combined with them or transmute them into a new setting. If the model has wider relevance – as *prima facie* suggested by parallels like ASEAN – should not small states in other regions be putting their best energies into promoting voluntary multilateral integration, and perhaps showing the way by experiments among themselves? And even more interesting: if not, why not?

Notes

1 For summaries of these and other theoretical approaches the reader is directed to (Williams 2013).
2 See, for example, the 'Failed States Index' published by *Foreign Policy* magazine at www.foreignpolicy.com/failedstates (accessed 25 November 2013).
3 On the related concept of environmental security, see Chapter 5 in this book.
4 Developed by authors like Barry Buzan, and now official policy in several Nordic states, this approach defines security priorities based on what damages society both physically and in its established peaceful routines. As an executive doctrine it focuses on handling civil emergencies of human or non-human origin (see Chapter 4 in this book).
5 The United Nations Development Programme's Human Development Report for 2004 (UNDP 2004) defined this concept as covering seven interlocking dimensions of economic, food, health, environmental, personal, community, and political security. For a recent assessment see (Acharya 2011).
6 A 'humanitarian' rationale for forceful intervention that could override normal considerations of sovereignty has been discussed since the late twentieth century. In its sixtieth anniversary Summit declaration (United Nations 2005) the UN defined a 'responsibility to protect' (R2P) allowing the international community to act, should any government egregiously neglect or attack its own people. The UN mandate for action against Libya in 2011 is often cited as a case in point.
7 A common example is popular concern about migration and multi-cultural tendencies in society.
8 For a listing and comparative discussion of regional security institutions see (Bailes and Cottey, 2006); and on regional security cultures, (Crocker *et al*. 2011).
9 Though lacking a universal definition, this expression normally covers the private business sector; terrorists, criminals, and conflict actors not representing a state; non-governmental organizations, civil society groupings and potentially all private citizens. Non-state-owned media should logically be included and the status of political parties (not in government) is moot.
10 This is also surely the underlying purpose of the 'securitization' school.
11 For a wide range of publications on this subject see the website of the Geneva Centre for Democratic Control of Armed Forces: www.dcaf.ch. (accessed 25 November 2013).
12 See Chapter 10 in this book.
13 The Seychelles notoriously suffered multiple coups and coup attempts from both inside and ouside in the first five years of their independence (from 1978).
14 This diagnostic vocabulary is used by the Uppsala Conflict Data Programme which publishes well-respected data series, see: www.ucdp.uu.se. (accessed 25 November 2013).
15 As an illustration of the difficulties: by the time of writing, none of the break-away entities mentioned here had secured formal recognition from all members of the EU or UN.
16 For a case-study see Bailes and Ragnarsson (2011).
17 See Chapter 3 in this volume.
18 All decisions in NATO require the consensus of all governments and even the Secretary-General has an essentially mediating role. In practice the US is the dominant, if far from the only significant, player. On partial EU parallels, see p. 38.
19 Examples are the involvement of a Russian garrison in Transnistria and Russia's support for Armenia in its war with Azerbaijan, as well as the conflict with Georgia in 2008.
20 On the key importance of local 'ownership' in such cases see Hansen and Wiharta (2007).

21 The EU and NATO seek to play exactly this role for small Western Balkan states, and the admissions of post-conflict Vietnam, Cambodia and Laos to ASEAN could be seen as a parallel.
22 The 'non-realist' options in this paragraph all assume the willingness of multilateral actors to act. In practice, interventions by the UN, NATO, EU and other regional groups are selective, skirting 'no-go' areas of the globe, where conditions (including possible reactions from local powers) appear too dangerous. A small state caught inside such a zone only retains the options of realist bandwaggoning/balancing.
23 Namely, the Shanghai Cooperation Organization, Collective Security Treaty Organization, and Commonwealth of Independent States.
24 There is no use of majority voting in these fields and it has been shown, e.g. by Cyprus, that even the smallest states do have a veto.
25 One way to describe the process fostering such behavioural changes is 'Europeanization', (see, for example, Ladrech 2010). Of course large states do still have disproportionate power to dictate EU policy moves, and may impose new risks/burdens on small members in the process (Wivel 2005).
26 This section draws *inter alia* on Bailes (2009).

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3 Economic security and size

Richard T. Griffiths

Introduction

The concept of economic security has two dimensions – security at the level of the household or citizen and security at the level of the state. Although the two levels are obviously linked, since instability at the state level will percolate through to its citizens, each level has its own distinct literature and the two levels combined are too large to do justice to within the framework of a single chapter. For this reason we will focus on the macro-economic dimensions of security.

No state can be completely secure, or should even aspire to be. Isolation and self-sufficiency are options only available to the few, and states that have chosen this path – such as the planned economy of the USSR and Communist China before the reforms – have condemned themselves to wasteful and inefficient growth strategies. The path of international development is not smooth, and it is regularly punctuated by local, and sometimes global, setbacks. All states, large and small, are exposed to such vicissitudes and no state can secure itself completely against them. The issue addressed in this chapter is whether smaller states are more exposed, by virtue of their size, to such risks and whether they are more constrained in their means of redress. Systemic insecurity of this nature can impact on economies even when conditions seem favourable, since the perception of insecurity can shorten planning horizons, inhibit investment and dampen growth perspectives (United Nations 2008: 4–5).

This chapter will start by reviewing the confusion that exists around the definition of a small state, before adopting the concept of relative size, as suggested by the editors of this volume. It will then approach the question of economic security by starting with the issues involved with insecurity. In the past decade there has been a proliferation of composite indices covering almost all aspects of economics, the environment and the social sciences, and the question of economic vulnerability has not escaped this trend. Vulnerability is not simply a function of size and therefore, after an examination of these indices – including concrete examples of the states considered most and least vulnerable – the chapter will focus on those aspects that may derive from the expectations of small state literature. Having identified the source of security threats for smaller economies, we shall turn to a discussion of factors that might mitigate their

effects. This will start with the concept of resilience, or those structural factors that may facilitate economic management under adverse conditions, before examining some strategies available for overcoming the threats perceived.

The question of size

In the first chapter of this volume, the editors eschewed a cut-off point for defining a small state and clearly (and correctly) opted for a concept of relative size. After all, if size is to be a useful explanatory factor in describing economies, it should be applicable across the entire spectrum of the selected states when ranked according to size. In other words 'small' should exhibit a certain characteristic to a greater (or lesser) degree than 'smaller still' and 'smaller still' should, in its turn differ from 'smallest'. We can always argue later whether it is helpful to cluster states into any sub-categories as 'small', 'middle' or 'large'. That still leaves open the question of which indicator(s) to employ.

Since economists and political economists engaged in small state studies commonly attempt to correlate size with economic performance, it is probably better to avoid bringing gross domestic product (GDP) into the definition. Population size is the most commonly used indicator, and the early literature settled comfortably on a fairly arbitrary definition of around ten million (Sutton 2009: 142–146). More recently, however, there has been a shift in the focus of research towards even smaller countries, with most literature settling on a cut-off point around one and a half million (Commonwealth Advisory Group 1997; Commonwealth Secretariat/World Bank Joint Task Force 2000; Liou and Ding 2002), within a range from less than one million (Easterly and Kraay 2000) through to three million (Armstrong and Read 1998). This new focus does not imply that states beyond that cut-off point can be treated as an undifferentiated, relatively homogeneous, contrasting bloc. Rather, it stems from a desire to concentrate on the specific problems confronted by the ultra-small end of the spectrum, with a high representation of developing isolated island economies.[1] These countries had also tended to be ignored in the empirical analysis and much recent work has been devoted to recalibrating the focus of small state research.

Vulnerability

To determine what is meant by security, we need to know what exactly is meant by insecurity. This is not to suggest that insecurity is the only paradigm from which to approach the question of size, nor to insinuate that those structural elements that we identify as contributing to insecurity can only be resolved by foreign aid or special concessions (Baldacchino and Bertram 2009: 141–142). It is simply an attempt to define the potential problems before turning to possible solutions. First, we should stress that insecurity is not synonymous with risk. Every development that is not completely predictable is, by definition, risky, but a risk can always have two outcomes – positive and negative. Insecurity implies that there is a greater than average chance that, in a given situation, the outcomes

will be negative, and that it will be more than usually difficult to absorb the effects. Thus insecurity implies a greater than otherwise risk of negative impact of exogenous developments and a lack of mechanisms for coping with these external shocks. Most authors opt for the term 'vulnerability' to capture this mixture of elements (Combes and Guillaumont 2002; Seth and Ragab 2012).

For this chapter's purposes, as already noted, we must confine ourselves to macro-economic vulnerability and ignore the rich, interesting, and – in another context – relevant literature on welfare impacts and household survival strategies (Alwang *et al*. 2001). Further, we are interested in elements of vulnerability that are functionally related to the size of a state – for instance, as relative smallness exacerbates the impact of external shocks or diminishes the capacity to absorb them. This qualification is important because many elements associated with economic vulnerability are equally associated with poverty and underdevelopment. A small state that enjoys or attains more highly developed status does not cease to be vulnerable, but the nature and degree of that vulnerability may change. This distinction will also be important as we chart the various attempts to construct tables of relative vulnerability.

The problems arising directly from size arise partly from the fact that production is a function of available resources, whereas consumption is a function of income levels (Snorrason 2012: 47–74). Thus the first expectation is that the smaller the state, the more limited is likely to be its range of output. Small states have supply constraints such as fewer resources (though strictly this is more a function of area and geographical location than of size), less labour, a smaller capital base and fewer entrepreneurs. They are also confronted by demand constraints, the most important of which is a domestic market too small to achieve scale economies, and therefore less efficient (Kuznets 1960; Ward 1975; Rothschild 1993). But while a small state will not be producing a wide range of products, its consumption patterns will tend to reflect those of other economies with a similar level of income. Thus the second expectation is that the smaller the size of a state, the larger will be its propensity to import to meet its domestic consumption and investment needs. This high level of import demand will force smaller economies into export markets in order to earn the foreign exchange necessary to meet the cost of imports (Kuznets 1960; Lloyd 1968; Väyrynen 1974; Alesina *et al*. 1997; Salvatore 1997; Armstrong and Read 1998; Commonwealth Secretariat/World Bank Joint Task Force 2000; Armstrong 2002), but here again, relative size can be expected to leave its mark on economic structures. Thus the third expectation is that the smaller the state, the more likely its exports will be concentrated on a narrow range of export products, as the same resource limitations that affected the diversity of output limit the diversity of exports (Hirschman 1945; Kuznets, 1960; Commonwealth Secretariat/World Bank Joint Task Force 2000; Jansen 2004).

Fourth and last, the smaller the state, the more likely that its exports will be concentrated on a smaller group of countries, once again because of restrictions in the amount of human capital available for international marketing. Despite quibbles over one or two of these expectations (Väyrynen 1974; Damijan 1997),

most studies conducted at various intervals, and with different samples of countries, have underlined their basic validity. Thus smaller countries tend to share similar structural patterns deriving from their size and linked directly to their trade dependence. However, these structural patterns do not necessarily translate into factors of vulnerability (Baldacchino and Bertram 2009: 142). In many cases, the factors that turn risk into vulnerability stem from under-development rather than relative size.

Vulnerability indices

There has been a tendency, increasingly apparent in the last two decades, to try to compress everything into compact, all-encompassing indexing systems. Among the more famous are the United Nations Committee for Development Policy's *Human Development Index* and the World Bank's *Governance Indicators*. It would be disappointing if the discourse on vulnerability had not produced a variant of its own: and indeed there are several 'families' of vulnerability index, of which four will be compared and briefly analysed here. While the present author is no enthusiast for experiments in quantitative data that yoke heterogeneous ideas by violence together (to paraphrase Samuel Johnson's comment on metaphysical poetry), it is necessary and may be instructive to understand why and how these attempts are made. What components are included or omitted? What indicators are used and do they actually measure what they claim to? And how are the components weighted to arrive at a single index – arbitrarily, or by deriving the distribution endogenously? If the latter, this is usually done by letting a multiple regression analysis loose on the data and letting the outcome determine the weighting; but this then raises the question of the representativity of the sample employed (Bishop 2012: 950–952).

The four sets of vulnerability indices covered here are: (1) a group concentrated on the Commonwealth; (2) a group concentrated on the University of Malta; (3) a group associated with the UNDP; and (4) innovative approaches by the Commonwealth and the IMF after the 2008 economic crash. For each, the structure of the index is shown diagrammatically, while Table 3.1 compares the sets of countries they identify as most and least vulnerable, looking at the composition of the 'top' and 'bottom' 15 in each case. The complete sets cannot be listed here but full source directions will be given.

In the *Commonwealth Family*, a Small Island Developing States (SIDS) meeting held in 1990 under the auspices of UNCTAD triggered the first serious efforts towards developing a vulnerability index. The results, initially published in 2001 (Atkins *et al.* 2001), assessed 111 developing countries, including 34 small states, under a composite index combining export dependence, lack of diversification and proneness to natural disasters, with the emphasis on the first (see Figure 3.1). Of the states judged most vulnerable, all but one would fall below the Commonwealth's cut-off line of 1.5 million inhabitants, and the exception – Singapore – had only 2.8 million. No state with under 1.5 million inhabitants finished among the *least* vulnerable. The final Commonwealth

Vulnerability Index took over the composite index in this form, but weighted it further – without explaining the details – by 'average gdp as a proxy for resilience' (Joint Task Force of the Commonwealth Secretariat and the World Bank 2000: 20). While some small states were more highly ranked this time and the picture was blurred by including several states with over 1.5 million thought to share typical 'smallness' problems, once more the great majority of 'most vulnerable' slots (26 out of 28) were occupied by small states, of which 18 were small island developing states. Only two small states were in the top half of the draw (ibid.: 20–23).

Meanwhile the *Malta team*, led by Lino Briguglio, were developing their own Economic Vulnerability Index (EVI) (Brigulio 1995, 1997) and the results were eventually published in 2003. The index was built up of indicators that shared the openness and diversification concepts with the Commonwealth index, but added proxies to represent peripherality and strategic import dependence whilst omitting the disaster component. In contrast with the Commonwealth index, which used raw data and model-determined weights, the Malta team first standardised the variables and then allocated equal weights in the index (see Figure 3.2).

An adjusted index, EVIAR (EVI augmented by resilience), was also produced, which included resilience measured by per capita GDP and indeed gave this 50 per cent of the weighting (Briguglio and Galea 2003). EVIAR's 117 countries, of which 99 could be considered as developing countries, covered only 18 of the 34 small developing states included in the Commonwealth list. While the placing of medium/large countries changed considerably between EVI and EVIAR – basically according to wealth – both had a clear preponderance of

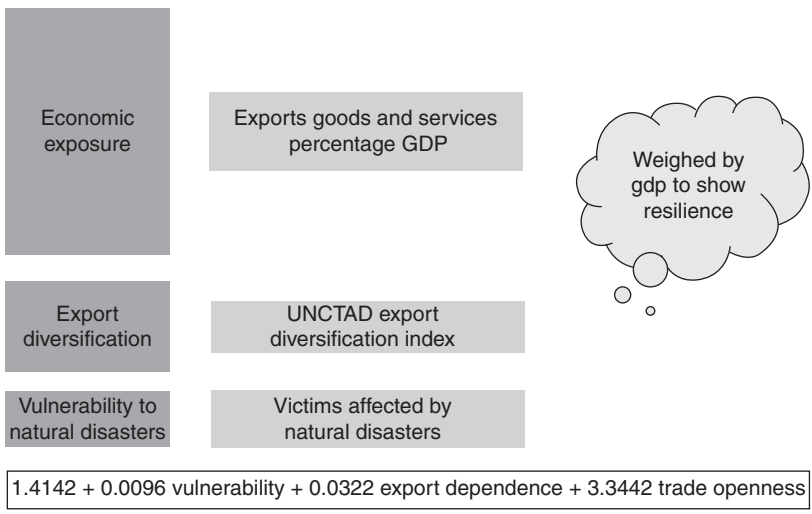

Figure 3.1 Commonwealth Vulnerability Index (1999) (source: Atkins *et al.* 2000, 2001; Commonwealth Secretariat/World Bank Joint Task Force 2000).

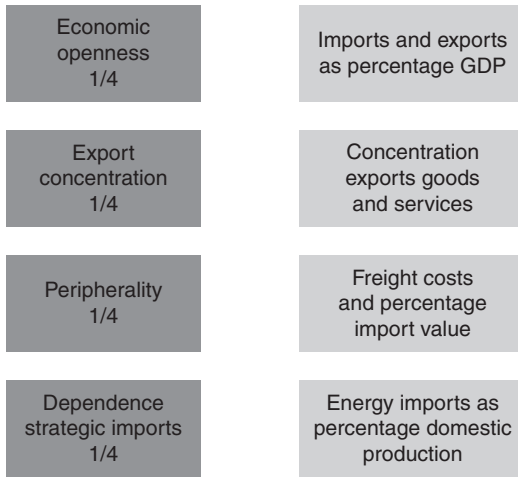

Figure 3.2 Economic Vulnerability Index (2003) (source: Briguglio and Galea 2003).

states with a population of under 1.5 million in the most vulnerable category: 9 and 10, respectively, in the bottom 15. The authors' analysis (published only for EVI) concluded that small developing island states (EVI 0.470) were more vulnerable than other small states (EVI 0.354), and both groups fared worse than large developing states (EVI 0.220). The five small, developed states in the sample (EVI 0.258) proved more vulnerable than large states, whether developed (EVI 0.148) or developing (see Figure 3.3).

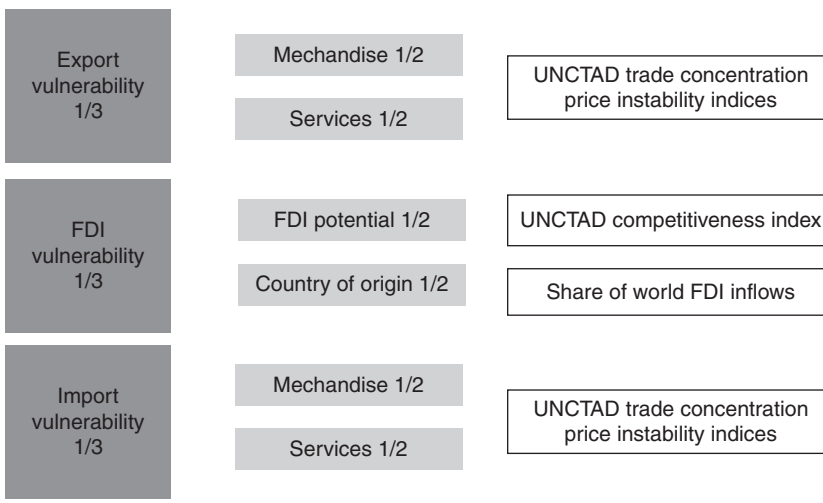

Figure 3.3 Economic Vulnerability Index (2005) (source: Cordina and Ferrugia 2005).

In 2005, the Malta team published a refined index (Cordina and Farrugia 2005) that improved on previous efforts by considering the impact of trade concentration in both exports and imports; by trying to capture exposure to price volatility with a measure of product concentration in trade (distinguishing five broad categories – food, agricultural raw materials, fuels, minerals and ores and manufactures); and by attempting to capture the attraction of a country for foreign direct investment (FDI). This was the first time that a financial variable had appeared in an index. The results seemed to confirm the earlier studies' findings that vulnerability was inversely related to size, that small island states were more vulnerable than any other category, and that vulnerability fell as countries became richer (Cordina and Farrugia 2005: 17–18).[2]

In 1998 the *United Nations Development Programme* (henceforth UNDP) also started work on an Economic Vulnerability Index (see Figure 3.4), designed to let this variable be used – alongside per capita income and human capital development – when deciding nations' eligibility for aid. The version of this index published in 2005 and re-used in 2008 is covered here; results of a 2011 update were not available at the time of writing.[3] The index re-mixed many of the elements present in the other indices we have examined, though the weights attached differed. However, country size was directly built into the index, rather than using openness, and no attempt was made to include resilience (Guillaumont 2010, 2011). The analysis of 112 developing countries suggested that highly under-developed small country states are most vulnerable, followed by other small island developing states (Guillaumont 2011: 839). No very large states were considered vulnerable.

Up to this point, the logic of the various indices' composition reflects their origins in a community mainly concerned with development issues and their impact on the smallest states. One striking feature, especially in the light of

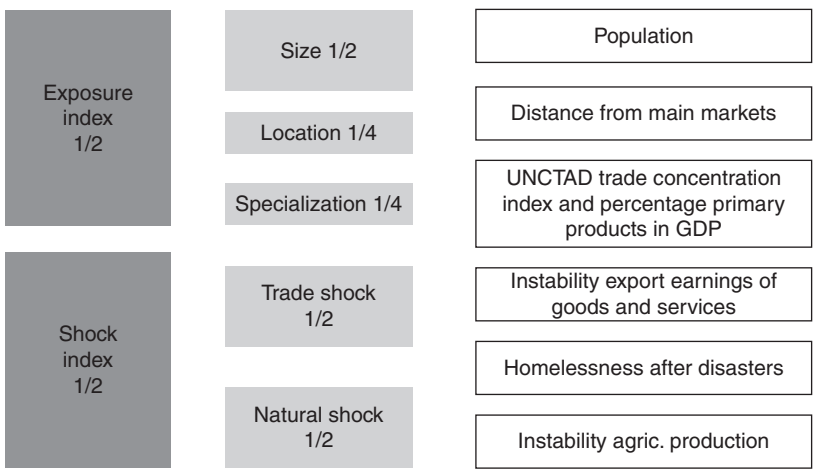

Figure 3.4 UNDP Economic Vulnerability Index (2005–2008) (source: Guillaumont 2009).

Table 3.1 Comparison of most/least vulnerable states from four international indexes (population sizes in millions)

Index name/abbreviation (see key)	*Commonwealth*	*EVI/EVIAR*	*REVI*	*UNDP*
Most vulnerable				
Biggest	Singapore (2.8)	Rep. Congo (49.6)/Rep Congo	Rep. Congo	Zimbabwe (13)
Smallest	Antigua + Barbuda (0.06)	St Kitts Nevis (0.4)/Seychelles	Reunion (0.7)	Tuvalu (0.1)
Mode*	Solomon Islands (0.3)	Gambia (1.9)/Gambia	Djibouti (0.7)	Equatorial Guinea (0.5)
<1.5 million	14 of 15	9 of 15/10 out of 15	8 out of 15	7 out of 15
>15 million	0 of 15	1 of 15/1 out of 15	1 out of 15	0 out of 15
Least vulnerable				
Biggest	China (1,196)	China/Indonesia (206)	China	China
Smallest	Uruguay (3.1)	Switzerland (7.1)/Luxembourg (0.436)	Bhutan (0.5)	Israel (0.7)
Mode*	Myanmar (44.5)	Turkey (63.6)/Netherlands (15.9)	Nepal (24)	Mexico (107.8)
<1.5 million	0 of 15	0 of 15/1 out of 15	1 out of 15	0 out of 15
>15 million	3 of 15	14 of 15/9 out of 15	8 out of 15	15 out of 15

Notes
* Mode – the middle observation, in this case the eighth country in terms of size.
Key: Commonwealth – Commonwealth Vulnerability Index for Developing Countries, calculated from Atkins *et al*. (2001).
EVIA/EVIAR – Economic Vulnerability Index/ditto Augmented by Resilience: calculated from Briguglio and Galea (2003); population for 2000 from World Bank database.
REVI – Economic Vulnerability Index (2005), (Cordina and Farruglia 2005): calculated from country data supplied by authors; population for 2000 from World Bank database.
UNDP – UNDP Economic Vulnerability Index 2005/8 (Guillaumont 2008).

events since 2008, is the absence of any financial dimension (Snieska *et al.* 2012). Although international monetary crises were hardly unknown before, the Lehmann crisis and the financial meltdown that it signalled have finally convinced major institutions of the need to re-assess vulnerability on a broader basis. Since 2010, the Commonwealth has worked on a new index of which only the outline is so far known, but which will add at least some new economic components, e.g. inflation rates and the weight of debt service (see Figure 3.5). A logistic performance index, which is more a measure of efficiency in trading than of the actual costs of trade, is a further interesting addition, if somewhat misplaced (Goto 2010).

A far more radical approach is evident in the new index Overall Vulnerability Index being prepared by the IMF (see Figure 3.6). The contours of the index, but no country results, have been published and reflect sweeping changes – only trade exposure survives from earlier versions, and it accounts for hardly more than one-eighth of the final index. Yet foreign indebtedness in the private sector, as opposed to the government's borrowing, is still absent from the calculation. The country results will be very interesting to see, especially when matched against the relative size of countries.

Components of vulnerability

Moving on from statistical depictions, the various factors determining vulnerability will now be discussed in substance to see how they contribute towards undermining economic security – and what needs to be added for a satisfactory framework of analysis.

Starting with the classics: trade dependence, of course, forces states onto markets over which they have little or no control. In addition, smaller states are

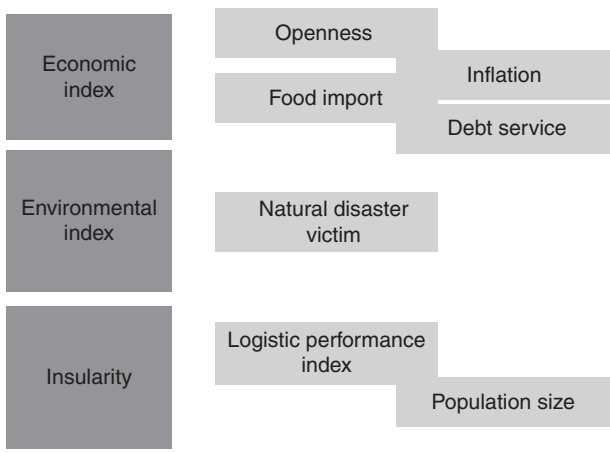

Figure 3.5 Revised Commonwealth Vulnerability Index (2010) (source: Goto 2012).

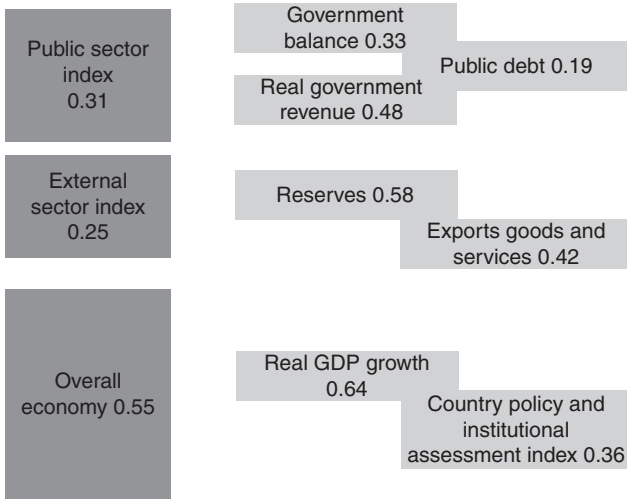

Figure 3.6 IMF Overall Vulnerability Index (2011) (source: Moghadam *et al*. 2011; Dabla-Norrise and Gündüz 2012).

likely to be price-takers, although the threshold of exercising price leadership is probably outside the capacity of most exporting nations acting alone. On the other hand, a considerable empirical literature tends to emphasise the positive relationship between openness and economic growth. Other authors stress the role of openness in accentuating volatility, though the causal link usually runs through adjustment costs aggravated by various dimensions of underdevelopment, rather than by openness per se (Montalbano 2011).

A second expectation deriving from small state literature is that there is a concentration on markets. However, the impact on vulnerability depends on which countries trade is focused upon. In the 1930s, for example, it mattered a lot whether a European state's trade was directed primarily towards Germany or towards the UK. Similarly, a Latin American country, reliant on the US market, would have suffered when demand there slumped and tariffs increased. Nowadays, exposure to other countries' trade policies is less relevant, but it still matters whether an economy is oriented towards faster or towards slower growing markets. So, for a smaller country, the focus on/in Western Europe in the 1950s and 1960s would have been better than a similar focus in the 1990s and 2000s, whereas the reverse would be true for a focus on South Asia. This is not a merely anecdotal observation: a 'constant market share' (CMS) analysis allows a prediction of export growth rates based on an observed geographical pattern, assuming that the share in each of those markets remains unchanged (Finicelli *et al*. 2008)

The lack of a diversified production structure is also reflected in a product concentration in exports. Export composition concentration is a standard expectation in small state literature, but as such it need not be a source of vulnerability,

and certainly not an undifferentiated one. The link to vulnerability is twofold. In the first place, one could expect that countries with a concentration in goods for which world demand was growing slowly would be penalized through slower growth than experienced by those countries with a more favourable export composition. This factor would penalize countries by sluggish demand, lack of dynamism and semi-stagnant status, especially when combined with a high export reliance as a component in final demand. Such an impact could be calculated using the CMS techniques described above. However, it is not just the trend rate of growth that is affected in this way: the product composition of exports also affects the stability or volatility of export earnings because price swings are more common in some commodities than in others. This is especially true if exports are concentrated in primary products – agricultural goods and minerals – which are more susceptible to price fluctuations than manufactured goods (UN 2008: 15–16, 24–25). Most of the vulnerability indices use the UNCTAD export concentration index, sometimes broadened to embrace services (Briguglio and Galea), but without any differentiation.

Cordina and Ferrugia go a step further and also use the UNCTAD commodity volatility index, which gives a statistical measure of the degree of price fluctuation. Commodity prices after World War II were in relative decline until the 1970s and 1980s, when they began a slow climb before exploding since the turn of the century. But not all prices underwent the same development and therefore not all countries experienced the same impact (Erten and Ocampo 2012; Spatafora and Tytell 2009). What Cordina and Ferrugia have done is to break exports into five main export groups (food, agricultural raw materials, fuels, ores and metals, manufactures) and to calculate an overall index by weighting each category by its share in exports (Cordina and Ferrugia 2005). This is an excellent innovation because it means, for example, that based on 2002–2011 data, a country with all its exports in ores and metals would have had volatility index of 21.65, whereas those focused in food would have experienced a volatility index of only 7.03. However, to really operationalize the concept, one could have gone further and looked at the differences in price volatility experienced by individual commodities.[4] This would have revealed important differences and would have had a major impact on any vulnerability index, especially when applied to less developed countries whose export concentration usually lies outside manufactures.[5]

If one looks at issues that do not appear in the traditional small state literature, susceptibility to disasters and isolation appear in some of the indices. Vulnerability to disasters is a factor in the Commonwealth index and, slightly more prominently, in the UNDP index. Although with any given disaster, a small polity will be left with a smaller area unaffected and therefore able to facilitate recovery, susceptibility to disaster is in itself much more a factor of geography. It depends on whether the state is situated in a typhoon or hurricane zone or along an earthquake line. For small island states lying in the tropics, it is probably a factor to consider and it might make sense to include it in an index of vulnerability. For a global consideration of vulnerability, it is less important.

Isolation also appears in vulnerability indices but, again, this is more a question of geography than size. Once more, small states that are islands tend to be disproportionately represented, but larger states, too, can be confronted by market remoteness. One need only to look at Australia to see, within a large country in terms of area or a medium country in terms of population, the distances separating major cities, and therefore markets, from each other.

A final factor that appears in some of the indices is per capita income. It is used in the early Commonwealth index and in the Malta index as a proxy for resilience. Richer states are supposed to have more resources and more capacity to cope with the impact of negative shocks. By itself, however, it is a crude indicator of state capacity. There are many more nuanced indicators available to identify resilience and it should come as no surprise that, here too, there are efforts to capture it in an index of its own.

Resilience

Resilience as a concept has been taken to embrace two associated issues, namely the ability to withstand an exogenous shock should one occur, and the ability to respond to a crisis should it develop. The first depends on mechanisms of flexibility and adaptability and the second depends on the quality of governance and the policy options available (Briguglio *et al.* 2009: 233–234) The Malta group has constructed a resilience index based around four elements, macro-economic stability, market efficiency, good governance and social development (see Figure 3.7).

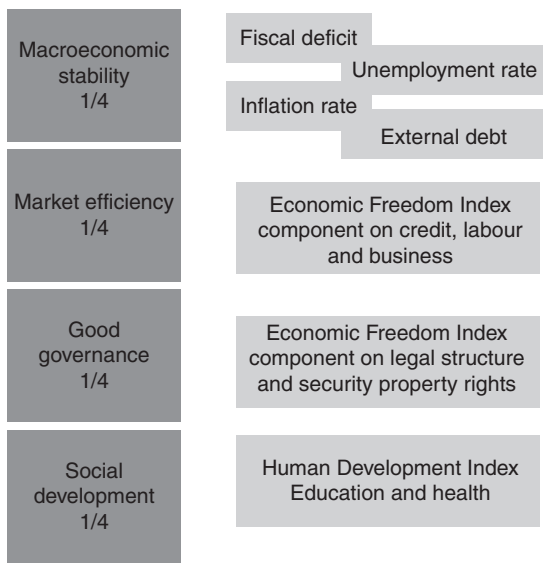

Figure 3.7 Economic Resilience Index (2009) (source: Briguglio *et al*. 2009).

The index represents a brave attempt to push research further forward, but one can still pose some questions about both the components isolated and the indicators chosen to represent them. For a start, the items chosen to represent macroeconomic stability (fiscal deficit, unemployment and inflation and the weight of external debt) all appear in the IMF Vulnerability Index as factors to be taken into account in a state's initial risk assessment. Second, the indices chosen to represent good governance seem unnecessarily restrictive, especially when the more famous and more authoritative World Bank Governance Indicators are available. Similarly, to describe social development solely in terms of education and health, derived from the UN's Human Development Index, seems unnecessarily parsimonious when it must surely have been possible to employ other indicators, such as income inequality or social welfare expenditure. The Malta index was constructed for 86 countries, both developing and advanced, but covered none of the small island developing states with populations of less than 1.5 million, as defined by the UNDP (see Table 3.2).

If one looks at the most vulnerable countries, it is obvious that very small countries are notable by their absence. The smallest country to appear has a population a little above five million. The obverse is almost true of the most resilient list where all but four of the top 15 have populations below ten million, and all the countries in the top portion of the list can be classified as advanced economies.

Security strategies

Thus our analysis so far suggests that small states are more vulnerable than large states, but developed small states seem often to be more resilient than large developed states. The irony of Iceland and Ireland appearing in the top of the resilience index at the very moment that their economies were collapsing is not an indication that the index is at fault, but of the fact that these states were vulnerable in a way that was not adequately captured by the existing indices – nor, to be honest, in economic analyses preceding the Lehmann crash of 2007.

Small(er) states were quickly drawn into the vortex of the financial crisis. A recent OECD study suggests that their inability to control monetary policy

Table 3.2 Fifteen most and fifteen least vulnerable states in the Economic Resilience Index 2009 (population size, thousands)

	Least resilient	*Most resilient*
Biggest	Indonesia (277,303)	Canada (32,312)
Smallest	Nicaragua (5,424)	Iceland (297)
Mode	Uganda (28,431)	Hong Kong (107,801)
<1.5 million	1 out of 15	1 out of 15
>15 million	13 out of 15	2 out of 15

Source: (Briguglio 2009). Population for 2005 from World Bank database, available online at: http://data.worldbank.org/indicator/SP.POP.TOTL?page=2 (accessed 25 November 2013).

(especially in a monetary union) meant that asset prices outstripped interest rates and fuelled the construction bubbles in Ireland, Spain and Portugal. Moreover, even if they did have recourse to monetary instruments, raising interest rates would most probably have sucked in capital and negated the intended effect (Sutherland *et al.* 2010: 15, 28). A further problem is that the traditional fiscal policy instruments available to larger countries are likely to be muted in their effect when applied in smaller economies. This is because much of the multiplier effect of an injection of state spending is likely to be lost to leakages through imports (ibid.: 26). One way out is to practise fiscal prudence and use 'automatic stabilizers' to absorb the initial impact of the shock (Buti and Van den Noord 2004: 13, 16), and the OECD study specifically compliments Denmark, the Netherlands and Switzerland for a successful policy of combining 'initial cushioning with a quick adjustment' (Sutherland *et al.* 2010: 44).

The small state literature suggests that (richer) smaller states have developed successful security strategies that may not shield them from powerful economic forces emanating from abroad, but which allow them successfully to adapt. In his classic study of small European economies, Peter Katzenstein argued that the paramount need for small countries to remain competitive contributed directly to their development of high welfare expenditure and neo-corporatist governance structures. Potentially damaging private wage demands were bought off with public goods, including a voice in policy making, and welfare payments eased the risk to citizens in making structural adjustments to the economy. Consensus was more easily achieved around policy measures and inefficient, rent-seeking sectors were more readily sacrificed as industrial policy targeted potential growth areas (Katzenstein 1985; see also Midttun *et al.* 2006). Criticised by those who interpreted this as prescriptive rather than descriptive, Katzenstein later modified this position to stress that the main advantage available to small states lay in their ability to adapt quickly to changing circumstances, which was itself a reflection of the social cohesion that they had been able to engineer (Katzenstein 2003).

Another insight was afforded by comparing (European) small countries with neighbouring regions of larger countries. This is made possible by the regional counting procedures adopted by the European Union. In almost every case and in almost every measure of performance, the small state did better than the neighbouring region, despite having all the apparent disadvantages of market size and none of the fall-back options of transfer payments and support from central government. The compensatory advantage, it was suggested, was to be found in the independence of a small state in defining its own sectoral and other meso-economic policies (Armstrong and Read 1998).

Thus, smaller richer states have the advantages of possessing economic resources to sustain good governance structures and to support strong social cohesion around policies of adjustment and adaptation. Their position is a far cry from the picture of the small island developing states in the Pacific and the Caribbean that is painted by the Commonwealth, World Bank and UNDP. Indeed, there is no barrier to their adopting the same governance practices and

encouraging the same strategic adaptability as demonstrated by the states with the main success stories in Western Europe and elsewhere. In a challenge to the institutional pessimism of the vulnerability school, Baldacchino and Bertram (2009) suggest that this is exactly what many of them are already doing. They thus do not lack strategies for economic security and, without being exhaustive, in the rest of this chapter we will attempt to cover some of these, starting with vulnerabilities stemming from the classical 'small state' literature.

Most literature stresses that foreign trade dependence is more of an advantage than a structural disadvantage; but it is, per se, unpredictable and leaves countries especially vulnerable to policy changes by major trading partners. One solution is to tie oneself as closely as possible to one major trading partner, if possible through a customs union or else through another form of preferential trading arrangement (Mansfield and Reinhardt 2008). This was a prime motivation of the Benelux countries in the early stages of European integration. Whatever loss of independence this entails in trade policy is outweighed by constraining the possibly damaging autonomous decisions of the other (often larger) party. Small states love international agreements, the more complex and more binding the better.

This brings us to the volatility in export earnings caused by an extreme reliance on particular primary products. This has been referred to in the literature as a 'resource curse', but recent research on the period since 1970 (when the price trend was upwards) has suggested that the long-term effects of abundant resources on growth have been positive. It is the short-term instability that creates the problem (Cavalcanti *et al*. 2012). One answer would be to combine with similar producers and form an international commodity agreement cartel, but past experience suggests that this is rarely a permanent solution. In some cases, prices are stabilised at too high a level, and this attracts outside competitors, as has been the case with OPEC. In others, the high prices stimulated overproduction and the agreement collapsed because it could not bear the costs of maintain ever-growing stockpiles – coffee and tin are good examples. Another danger is that individual members start 'cheating' by increasing their own output to take full benefit of high prices maintained by everyone else restricting theirs, as proved the case in the international steel cartel between the world wars.

If an international solution is not an option for the problem of price volatility, then a stabilization fund offers another option. In this case, one puts (part of) the government's income in good years into a savings account upon which it can draw when prices are low. This does mean sacrificing the option to employ the same resources for investment, for example in economic diversification (UN 2008: 45–48). Moreover, if the idea is simple, the implementation is fraught with difficulties. Politicians being what they are, there will inevitably be a temptation to use the account to reward party allies and to buy votes in the build-up to elections. And dictators being who they are, there is always a temptation to add a wing to a palace, to buy yet another pair of shoes or to add a few more noughts to a Swiss bank account. But a greater temptation is to assume that an upward trend is permanent, and to abandon the programme prematurely.[6]

The solutions described for the volatility issue are really 'coping' mechanisms. The way to obtain greater security in the longer term is to diversify output and sources of export earnings. A recent review explained that 'for most developing countries, economic insecurity is first and foremost a development challenge (that) calls for economic diversification and policies that foster productive investment' (UN 2008: 7). This does not necessarily mean developing a whole new range of commodity exports or even commercializing some colourful local custom to attract the odd cruise ship for a stop-over. Rather, attracting some foreign direct investment to allow the development of a link or component in an international supply chain may be sufficient to stimulate the economy and establish the beginnings of a niche sector. Of course, for that to happen, the investment climate must be favourable: namely, stable, transparent, well regulated and predictable. And this is often where the problems really start.

There is a large body of literature associating good governance with growth. In this respect, the relatively small high-tax, high-spend welfare-ist economies of Western Europe appear to offer affirmation of this relationship. The World Bank is among the leading advocates of improved governance structures as a route out of under-development. The amount of investment capital slushing round the international system dwarfs the sums available in development aid. Moreover, private capital not only helps close the investment gap, but it often comes accompanied by the latest technology and the human capital to make it all work. The problem is that although there is a strong statistical relationship between governance and growth, there is far more debate about the direction of the causality. A society that can afford to pay its officials enough to stop them being pulled into corruption, and that can staff its services so that they function well, can afford good governance. Meanwhile, endemic corruption, capricious decision-making, cronyism and nepotism are a blight over almost all developing economies, large or small. And, as long as that state of affairs is allowed to prevail, economic security will remain a distant dream for small developing states.

Reflections

Small states, despite their inherent vulnerability, still tend to perform relatively well in economic terms. Armstrong and Read (1998) have demonstrated that small states in Western Europe outperform the neighbouring regions in larger states. Baldacchino and Bertram (2009: 147–150) raid the library of available statistical indicators to demonstrate the robustness of small state performance. Most recently, in an up-to-date literature review, Bishop (2012: 949) summarized the state of play by declaring that 'almost all small states are doing "better" developmentally than the least-developed countries in the world, some spectacularly so'.

In looking at the economic security of small states, the nature of the vulnerability makes it difficult to predict the direction and timing of a threat. The consciousness of potential vulnerability, if it fosters the ability to isolate a security

challenge, is in fact a precondition for the preparation of strategies to mitigate its impact or preferably avoid it altogether. In this respect, one can question the usefulness of a composite index and even the relevance of some of the proxy indicators it contains.

Another reflection is that the nature of security threats, or rather the perception of them, has changed. There has been a remarkable shift in the last decade from trade-related to finance-related crises, and this is being incorporated into the new indices being conceived. However, it is rather unsettling to see the IMF abandoning all the earlier trade-related features and employing exclusively financial and monetary variables – unless it is intended simply to reflect that particular threat direction. Composite indices tend to be better when they are not too dispersed and the IMF index might be an ideal instrument for a more restricted goal.

Small state studies today are thus waking up to the new threats inherent in globalization, and seeing that 'casino capitalism' (Strange 1986) is not a place for players with small pockets. The next time a financial crisis occurs, we will be able to test our indices against it, but it is less certain whether having such an index will help us avoid it. More to the point, however, is that we should stop becoming mesmerized by yesterday's threats. Other chapters in this book point, for example, to environmental threats arising from climate shifts, and other natural hazards such as pandemics, that have yet to make an appearance in the economics-oriented vulnerability/resilience debate. There are further risks, such as the potential threat to the world's critical cyber-infrastructure or the exposure of the world's GPS systems to the incidence of sun-flares, that will have untold economic consequences. Here again, the size and sophistication of economies will be determinants in the construction of adequate defences and the capacity for restoration. These areas, too, still need to penetrate the literature.… But in separate indices, please.

Notes

1 In 1992 the UN Conference on Environment and Development, held in Rio de Janeiro, acknowledged the particular problems faced by small island developing states (SIDS) and two years later the first Global Conference on the Sustainable Development of Small Island States was held in Barbados. The conference set up a permanent framework for research and cooperation among the SIDS and also established criteria for membership. It recommended a maximum size for inclusion in the group of 1.5 million, and linked this to a threshold of per capita income (Commonwealth Advisory Group 1997). A group of countries also pressed within the World Trade Organization (WTO) for recognition of their special status and the need for new trade rules to accommodate their problems. This need was recognized at the Doha Ministerial meeting in 2001, which opened the way for special treatment. However, difficulty in agreeing either on the exact criteria needed to qualify for special treatment or on the nature of such concessions kept the issue on the agenda for the next decade – and has kept the research agenda alive ever since (Corrales-Leal *et al*. 2007).

2 The Malta team have also produced an 'Economic Resilience' index, which is discussed separately later and which gives interestingly different results.

3 Details of the methodological changes in 2011 are available online at: www.un.org/en/development/desa/policy/cdp/ldc/ldc_criteria_timeline.pdf (accessed 15 January 2013).

4 It is obviously not good to be concentrated in ores and metals, but if the output was gold, the index would have been only 6.11. Equally, food might have been comparatively stable but if exports comprised sugar, the volatility would have been 17.24. Similarly, agricultural raw materials might have been a tranquil 8.31, but a focus on cotton would have pushed the index up to 19.47. Data derived from http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx (accessed 25 November 2013).
5 For manufactures it is difficult to determine prices, since goods are rarely homogeneous. They usually fluctuate less in price and any changes, if they are calculated, are measured through the terms-of-trade, which capture price changes of imports relative to exports; this is much less refined and suitable for incorporation into a vulnerability index.
6 The Commonwealth/World Bank was particularly supine in this context. While acknowledging the problem and the availability of the solution (which has been around since the 1930s), it hides behind costs and lack of experience, and leaves recommendations to yet another task-force (Commonwealth Secretariat/World Bank Joint Task Force 2000, pp. 26–27).

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4 Societal security and small states

Alyson J.K. Bailes

Introduction and outline

Other chapters in this section have stressed that security today is a multi-faceted affair, with an equally complex range of possible solutions. For small states,[1] these solutions will almost always mean 'importing' or 'buying' support and assistance, but they need not always shop in the same place. As Chapter 2 points out, earlier discussions of small state security focused on challenges of military or 'hard' security, of a sort that actually confront rather few small states – at least in Europe – today.[2] When a small state looks instead for economic, environmental, energy or health security (for example), its judgements on the range of potential shelters and helpers, and the best potential bargains in partnership, will diverge from the old answers and probably also vary from case to case. Yet a small state still has just one government, one budget and one limited store of political capital to expend on securing its needs. Are there any 'package' approaches to security that might help such a state systematize its analysis, and make good choices on priorities, synergies and resource allocation, across the whole strategic spectrum?

One answer explored in this chapter is the concept of 'societal security', first developed by academics in the late twentieth century, and now used as a policy doctrine by states in Northern Europe. The next section explains what it means in theory and practice, including how it differs from other major security concepts. The third section asks why the societal security approach might suit small states and how it could help them. To balance this, the fourth discusses some conceptual and practical challenges inherent in such a policy, and the final section has the brief conclusions.

Societal security: what and why?

Theoretical origins and comparisons

The seminal work behind recent academic debates on societal security is Barry Buzan's *People, States and Fear*, first published in 1991 and re-issued in 2008 (Buzan 1991; see also Buzan *et al*. 1998). In this book, Buzan adopted 'societal'

security as one of five large sub-divisions of modern security, the others being political, military, economic and environmental. He was especially interested in the often tangled relations between security actors, where the state may prosper at its citizens' expense and *vice versa*. In this context, the 'societal' category allowed Buzan to probe security transactions lying somewhere between the national/governmental and the individual level. For most states today, society has become a complex construct with values, security concerns and also capabilities of its own. When under challenge, it may also mobilize its own members and sub-groups such as private businesses, non-governmental organizations, churches, or the media. This latter point is central to the distinction between *societal* security, where society is both the referent body *and* potential actor, and *social* security, which denotes state support for the individual.

The societal approach also differs in important ways from other established frameworks of security analysis. It diverges most clearly from the traditional *realist* view inasmuch as it focuses elsewhere than the state, qualifies the latter's supposed monopoly of security actorness and takes rather little interest in inter-state power transactions (though it may stimulate non-zero-sum inter-state cooperation). To protect society, a state needs as a minimum to control its territory; but its prowess in zero-sum international competition does not necessarily help its citizens and may even penalize them. By extension, *military* issues feature, if at all, only in a contingent and limited way in societal security. Except where an internal conflict needs to be resolved, national forces will contribute mainly by their support in non-warlike civil disasters. Societal concerns will then focus more on non-warlike forms of violence (crime, street disturbances, terrorism where applicable); and on accidents, natural disasters, epidemics, and social/economic stresses and weaknesses, including the vulnerability of infrastructure.[3]

The same non-military topics could of course be gathered under the heading of '*Homeland* Security' in the USA, or '*internal* security' and 'home affairs' in Europe. But these terms have often signalled a technical or managerial approach based on executive and expert authority. The societal approach gives more weight to subjective factors including both society's positive norms and hopes, and the protection of citizens against oppression or disruption from whatever source. While zeal for 'homeland' security can demonstrably lead to curbs on popular rights and freedoms, in societal security the 'normal', peaceful functioning of society becomes an end in itself. A societal approach thus includes the fine-tuning of protective measures to avoid damaging the social fabric more than strengthening it.

The doctrine of *human security* that has spread in popularity after featuring in a UNDP report of 1994 (UNDP 1994) also consciously rejects the realist approach, taking instead the human being as the object and measure of good or bad security. It covers much the same potential range of hazards to human life and quality of life as societal security does: but by focusing on the isolated individual, it tends to highlight human exposure and vulnerability. Its policy conclusions accordingly call for international help – including forceful intervention if

necessary[4] – rather than asking how people can help themselves and each other. Societal security, by contrast, assumes that most individuals are embedded in (possibly, multiple) groups within and beyond their own states, the functions of which include protecting them against undue interference from any quarter.

Against this background it is interesting that developed Western states typically reserve the discourse of 'human security' for poor and weak states rather than applying it to themselves. The cynical explanation is that it provides a further rationale for interventions they may want to undertake for less pure reasons. Probably, however, there is an unconscious double standard, whereby Westerners elevate the value of their own social forms, while underplaying the risks of high development and complexity itself (Bailes 2007). An urbanized, materialistic Western society may actually leave the individual more exposed and alienated than a poorer one where family and tribal links, as well as basic survival skills, are stronger. It might thus be revealing to experiment with 'societal' analysis of non-Western systems, while opening eyes to 'human' security problems persisting in the West itself.

Concept development[5]

In the 1990s, Buzan quickly updated his own concept to recognize that societal security included, rather than contrasted with, other dimensions like the economic and environmental: the true dichotomy was between society and the state. But what was concretely different about societal agendas? In a European climate of thought dominated by war in the Balkans, attention naturally focused on the needs of societal communities not co-terminous with the state, such as ethnic (and/or religious) groups that stretched across borders and sometimes challenged the state they were supposed to belong to. Conversely, an established more homogenous society could feel threatened by migration and cultural dilution (Wæver *et al.* 1993). These emphases led to expert debates over how to judge the reality of self-claimed 'communities', and how to cope with possibly plural 'identities'. More seriously, it was pointed out that ethnic nationalism and fear of the cultural 'other' were often forces for insecurity, and not necessarily an ethically superior yardstick[6] (McSweeney 1996).

Buzan's other seminal notion of 'securitization' may help in rising above this confusion. As explained in Chapter 2,[7] securitization theory asks how and by whom a security challenge is defined. Often, it is national leaders who put such labels on new developments in hopes of gaining permission to handle them by tougher-than-normal methods. But the same process can work bottom-up, if society demands tough official action on a popular concern such as the cultural, economic, or other impacts of immigration – which the government may have its own reasons for tolerating, or at least, may prefer to handle by non-securitized means (Huysmans 2000; Ibryamova 2002). Such societal demands are not necessarily more objective, wise or reasonable than top-down security 'labelling'. Indeed, they may obscure other objectively valid security concerns, such as the threats and risks that immigrants themselves are exposed to.

Setting a practical agenda

What is clear is that, if only on practical grounds, a state wanting a sustainable security policy cannot define the threat simply as whatever society imagines at the time (which also begs the question, Who speaks for society?). It must resist unreasonable or transient bottom-up demands: including those that discriminate between or damage other components in society,[8] but also those exceeding a government's power (e.g. an expectation of total protection for all citizens travelling abroad). At the same time, it must induce taxpayers to fund things (military and other) that the experts consider necessary, but which bring no obvious benefit to citizens in their daily lives.

For these and other reasons, the 'societal security' used as a policy denominator by such states as Norway and Sweden has come to differ greatly from the conceptual topic of Buzan's, Wæver's, and related writings. Typically, governments have evaded the pitfalls of societal 'identity' by trying to frame the agenda in more precise, concrete, administratively and financially feasible terms. In turn, a separate scholarly literature has grown up on the challenges and implications of this official approach, as seen notably in the large Norwegian SAMRISK cooperative research programme.[9] We shall now look at Nordic examples of how the concept has been re-framed in practice.

Norway's central government website defines societal security as comprising 'events that threaten central societal institutions, our common security or individuals' sense of safety'.[10] In a working report from 2007–2008, the Ministry of Justice and Police (which in Norway holds the main responsibility emergency management) further defines the policy as resting on a:

> risk, threat and vulnerability analysis that includes natural disasters and climate change, pandemics, collapse of critical infrastructure, accidents involving dangerous substances, terror and other activities threatening public security, and challenges in the High North.[11]

The Defence Ministry's definition is also interesting, given that emergency handling may call both upon civil defence and – if necessary – regular military forces. As the Defence Report of 2008 puts it,

> …a range of risk of factors such as the danger from infectious diseases, natural disasters and major accidents have attained heightened significance in the context of national emergency planning. The security of society [= societal security] is about ensuring the safety of the civilian population and protecting important infrastructure and the main public sector functions[12] against attack or other forms of subversion in situations where the existence of the state as such is not threatened.
>
> (Norwegian Ministry of Defence 2008)

Finally, at the central government website, Norway's societal security policy is presented as focusing mainly on prevention, but:

> When events nevertheless occur, the government's aim is to have them handled effectively. Crises must be met with the use of the nation's total resources, based on clear structures, lines of responsibility and lines of command between civil and military actors, and on adequate capabilities at all levels.[13]

What we see here is that societal security in government parlance has come to focus overwhelmingly on the *event* (the emergency, the crisis), and on the coordination efforts and resource-building needed for response to ad hoc contingencies (Sundelius 2005). As the SAMRISK website mentioned above plainly states: 'The point of departure of societal security efforts is that crises can and must be prevented'. Such a focus shifts the whole societal discourse towards terms and spheres like 'risk assessment', 'crisis management', 'preparedness', 'robustness' and 'resilience' – concepts that carry recognizable and rather precise meanings in modern security work, independently of societal theory as such. This approach does not have to mean 'securitizing' societal endeavours in over-hard and traditional terms, as the Norwegian central government website extends its scope as far as (among others) national health, road accident prevention and search and rescue at sea.[14] Indeed, hardly any department of government is exempt from the coverage of the policy and the associated demands for coordination (Burgess and Mouhleb 2007).

What the event-based focus does allow is to set *limits* both to central intervention and to securitization itself. Thus, if a problem arises in a non-military field – say, public health – that the normally responsible authority (here, health ministry) is capable of handling, it will be left in that authority's hands. Only if a health crisis (like a major pandemic) disrupts broader aspects of national life, and needs exceptional means to control it, will higher-level inter-departmental mechanisms be activated.[15] This method, taking 'peacetime' departmental responsibility as the default, is typical of all Nordic government systems practising societal security or an analogous approach.[16] Most obviously, it aims to avoid creeping 'militarization', excessive securitization or over-centralization of the workings of society and government. But it also offers the authorities some protection against having to convert each new public neurosis into security action. If an issue cannot be shown to produce potential large-scale emergencies, it will in principle remain a 'peacetime' responsibility of the appropriate agency, or – if the government declines to handle it at all – a focus for voluntary efforts. There are, of course, risks in this pragmatic solution, starting with the danger that 'creeping' processes undermining society's safety and resilience may be neglected until too late; and event-related 'preparedness' will overshadow the scope for prophylaxis and positive security-building. Further, thwarting bottom-up attempts at securitization risks leaving the most concerned groups and individuals to find their own, potentially violent, means of exorcizing their fears.

Given the *transnational* nature of many societal security challenges – epidemic control, supply and infrastructure safety, combating climate change and human threats like terrorism and smuggling – the Nordic states also

acknowledge the need for extensive *external* cooperation for handling them. Possible partners start with the responsible UN agencies and, for economic/financial issues, the international financial institutions (IFIs). Many issues are appropriate for regional and sub-regional collaboration, where Europe has a plethora of institutions involved. NATO has long had plans to assist in major civil emergencies, and the European Union (EU) has developed mechanisms for deploying financial, professional and mechanical aid to member states. The EU's Lisbon Treaty, entering into force on 1 December 2009, introduces a provision (Article 222) obliging both member states and the Brussels organs to provide joint assistance for any member suffering a severe natural emergency or similar damage from a terrorist strike (European Union 2007).[17] This legal obligation gives new force to the debate over whether a common level of societal security could, and should, be defined for the whole of 'European society' (Boin *et al.* 2007). All EU members, after all, share a common market and a common space for movement of people and funds; while even neighbouring non-members find themselves increasingly looking to the EU for partnership and guidance across the non-military security field.[18]

Relevance for small states

Norway and Sweden, the states most explicitly using societal security as a policy framework, are both relatively small with less than ten million people each. This is hardly their sole reason for choosing the concept, as many historical, cultural and practical motives come into play; but at least it shows that societal security can work in a small state environment. How well it would fit a poor, developing state with little hope of effective regional cooperation is another question, to be taken up later. Here, two normative and three practical arguments will be offered on why the societal approach might suit generic small state requirements and particularities.

Concepts and principles

First, shifting the focus from military power and traditional defence moves the idea of security away from the area where such states are at the greatest disadvantage. The core of societal security lies within the country, where the scale of problems should be more proportionate to local capacities, and where local experience and expertise can mean more for success than the scale of resources or even the level of technology. Iceland is extremely good at protecting its people in volcanic events and earthquakes, and Finland at keeping society functioning comfortably in temperatures down to minus 50 Celsius. Both these countries find it rather easy to spot and track ill-intentioned outsiders like traffickers and terrorists. In short, a small state that prioritizes goals in this sphere has a hope of finding that many solutions lie in its own hands. This in itself should help bolster the confidence and claims to 'statehood' of even the smallest player.

Second, the interactive and bottom-up aspects of societal security throw into relief the importance of society itself. The concept puts a premium on close synergy between the national centre and local authorities, businesses, NGOs, social bodies and the general public. National size does not automatically multiply effectiveness in this regard and will often be a handicap, if the social and environmental conditions vary between provinces and local communities have different, perhaps contradictory, demands. Further, the qualities of society that matter for societal security are not dependent on and may even be antithetical to the typical 'strengths' of a state defence establishment. A strong military nation may have a weak, drained and divided society, precisely because the authorities monopolize the 'securitization' process and give citizens neither a voice nor a role.

Practical implications

The practicalities start with intra-governmental and cross-sectoral cooperation. In principle, designing this both for 'peacetime' policy making and emergency handling should be simpler in a small administration. The role of the 'centre' is clearer in a small territory lacking part-autonomous sub-divisions (like US states or German Länder); centre–local communications should be easier with fewer players involved, even when physical distances are great. Ministries and agencies should be fewer in number and will combine more functions than in a larger, more subdivided and specialized system. There should be fewer officials overall, increasing the odds that they will know each other personally. Cross-sectoral cooperation should also be easier *mutatis mutandis*; not just because fewer social, business, media etc. leaders come into the game, but because a small elite tends to be more homogenous with many cross-cutting family and personal bonds.

Thus far the ideal narrative; in fact, one need not look very far to see that small states can have chronic internal divisions of their own for all the same reasons that apply elsewhere. Ethnic minorities linked to neighbouring countries and immigrant communities alike can reduce social homogeneity, introduce territorial differences that complicate planning[19] and even lead to security tensions and antagonisms in their own right.[20] Politics may be highly polarized and/or ideologized, and in the smallest states it tends to become also extremely personal. Closeness in private life does not necessarily stop people playing aggressive, zero-sum games with each other in political life; it may rather give them an exaggerated sense of security in doing so. Another effect of closeness can be to blur notions of ethics and public service and facilitate the more subtle (sometimes not so subtle) forms of nepotism, corruption and general abuse of power. Conversely, the gulf in personnel and philosophy between politics (and the public service) and private business may be too wide for comfort even in a nation of a few million.

Governmental machines are not exempt from such factionalism. Ministries and agencies may resist coordination and quibble on demarcation for reasons of partisanship as well as empire-building, because their few, overburdened officials see it as a last straw breaking their backs, or just because they fail to see the point in such a small administration. Local elites may resist a centrally

framed and coordinated security plan because they do not trust the centre's understanding of their distinctive needs; while in certain cultures (including the Scandinavian culture), centralization in itself is suspect as a threat to freedom and diversity. All these factors can discourage the adoption of a societal security concept – with its stress on comprehensiveness, mutual dependence and shared discipline – in the first place, but also undermine its translation into practice.[21]

The same small state failings would vitiate almost any modern system of security, however. The real question is whether societal security may ease and/or circumvent such internal differences better than the alternative concepts. Some arguments can be made in its favour:

- in not a few small states including Nordic ones, the most basic security disagreement is between pro-defence and anti-military views, including opposite attitudes to outside 'protectors'. The societal approach avoids and may bridge such divisions by focusing on 'softer' and 'newer' fields of security, including natural and accidental risks, whose meaning for a small society is hardly contestable. It also shifts external military protection from centre-stage and can foster greater self-confidence in international partnerships thanks to greater (if still finite) self-sufficiency;
- the wide range of topics covered by an official societal security concept allows different actors' priorities to be balanced and potentially reconciled, while leaving room to 'securitize' new issues as needed;
- it militates for better coordination at the highest (Prime Ministerial) level, which might help overcome inter-agency vendettas;
- by emphasizing bottom-up action, it promotes a rational degree of decentralization that may accommodate genuine internal differences;
- the positive slant that it gives to using non-state (business, NGO) capacities, if properly followed through, could help to overcome both former rifts between these constituencies and government, and ill-defined 'underhand' relationships leading to corruption.[22]

One final advantage of societal security lies in its ability to move the management of external partnerships away from the 'realist' and 'asymmetric' process of bargaining for military support. Against transnational hazards like terrorism, disease or climate change, big states have a positive interest in helping small ones to avoid becoming weak links in the chain. Further, for effective responses, states of all sizes need to accept and obey universal regulations and standardized norms, creating a more level playing-field. The flexibility and transparency of small communities may, indeed, allow such states to find faster solutions for emerging hazards, reversing the usual security 'food chain'. It remains true that big states have more power to impose their own preferred solutions, regardless of quality – as when the US hyper-securitized the issues of terrorism and nuclear proliferation after September 2001 – with results that can be both normatively offensive and burdensome for smaller partners. But a small state that only thinks of security as a military calculus is more likely to be caught off-balance by such pressures than one practising a

multi-dimensional approach, with a variety of partners, and with awareness of the need to maintain basic societal values as well as political consensus at home.

How much of this applies to states that are not just small but poor, isolated and lacking effective regional integration, or those struggling to create a new security system after conflict? Clearly, societal security would not help them much if it had to be applied always, everywhere, following Norwegian and Swedish models. Yet there is no reason why it should be. Its main benefits could be replicated with quite different functional priorities – starting for instance with internal armed violence and/or hunger – and perhaps also shifting from the dominant 'event' focus to steadily improving the societal experience in 'peacetime'. Admittedly, much the same could be attempted under the flag of a 'human security' rather than 'societal' policy. But the latter could help highlight the positive potential of different social structures, including the remarkable resilience shown by many non-Western communities in far worse than Western conditions. It would demand a full-spectrum approach including economic, financial and functional security, aspects now admitted to be under-played in most established concepts both of humanitarian aid and post-conflict peacebuilding.[23] By promoting rational analysis of ways to mitigate transational threats, it might create new impetus for neighbourhood cooperation and help overcome former divisions based on 'hard' military differences. Of course, none of these possible benefits depends on the name: a policy that is 'societal' in substance should work just as well under any label that chimes with local attitudes and traditions.

A final critique

As foreseen above, this analysis needs to be completed with further conceptual and practical snags of a societal approach. A small state must be especially careful not to waste energy (and credibility) on half-baked ideas, or on solutions that come with intolerable side-effects.

The most basic conceptual question is, what is 'society'? Only under the simplest model of the nation-state does this have a self-evident answer. Aside from the ethno-religious divisions recognized by Buzan and Wæver, most states today must accommodate new immigrants and asylum seekers, migrant workers and tourists – the last potentially multiplying the seasonal population in scenic locations. Are all these humans part of the 'society' that the country's leadership aims to protect? Could they also have active roles in emergency handling? In either case, how to brief and prepare them, taking account of their probably different security needs, competences and attitudes in a crisis? Can government do anything, and if so what, to improve the subjective sense of solidarity and mutual responsibility among such disparate groups?

Conversely, what to do about national citizens who live and work abroad or go abroad as tourists and run into a war or civil emergency? Do they remain part of the 'society' that the mother-state must protect, if necessary by repatriating them? Does that responsibility extend to their material property and investments? How to help them without risking interference and distorting aid priorities for

the (possibly worse-hit) local population? All these issues faced Nordic governments whose citizens were hit by the Indian Ocean tsunami of December 2004, and their varying responses had such political resonance that in Sweden they ultimately hastened the fall of a government (Nord *et al.* 2006). By the time the same countries faced an evacuation of their nationals from Lebanon in 2006, all had learned some lessons and reacted more consistently, including an approach that – tellingly – focused on their passport-carrying citizens *regardless of ethnicity*. For real efficiency, however, small and medium states must always cosider teaming up with like-minded ones and/or working through an institution, such as the European Union, with its long-standing efforts for reciprocal and joint consular assistance.[24] This is one external aspect of the point made above about an incipient 'societal' community for the whole European space.

A second general issue is whether the concentration on exceptional and dramatic 'civil emergencies' really makes sense. Is there not a risk of over-securitizing the single event, risking over-reaction and panic on the one hand, and inattention to the hazards of 'normal' life on the other? If citizens are given to believe they need only follow security disciplines in exceptional cases, not only may (as already argued) 'creeping' dangers like climate change or ageing populations be taken too lightly, but bad security habits and selfishness may aggravate losses from everyday hazards like traffic and industrial accidents, interpersonal violence, substance abuse, street brawls and hooliganism. True, these latter issues are hard to tackle with traditional security-policy tools; but a wise government could try to develop its 'societal' concept in a way that fostered awareness and responsibility at the micro- as well as the macro-level. A futher good idea would be to make provision for regularly reviewing the given threat/risk spectrum, including possible 'new horizon' issues.

A related challenge, especially for states with a high quality of life, is to motivate the individual citizen to have any sense of security responsibility and ownership at all. When a Nordic state, for instance, offers everyone 'social' security against the effects of all socio-economic mishaps and personal life choices, how can it explain that the same individuals must help shoulder the burden in apparently tougher, life-threatening emergencies? The Nordic notion of 'trygghet' (safeness, protectedness) as the aim of social policy can too easily 'leak' its statist, top-down assumptions into the realm of security proper, casting society as a flock to be shepherded rather than a self-aware, self-protecting entity. This happens more easily when past security discourse has been overwhelmingly military-focused and/or when personal security duties are seen as limited to military service. Attitudes in different nations vary so much that it is hard to see a single solution, but arguably the change of approach needed is largely in the hands of the state. As found in a recent Icelandic study,[25] individuals even in the richest societies can possess security skills, awareness, and a readiness to help that they simply do not 'securitize' in their own discourse, and that the official machine too often fails to notice or respect.

Various practical difficulties in setting up and pursuing a societal security concept can be noted more briefly:

- Should the word 'societal' itself be the official denominator of policy, or some other term with better local resonance (and more obvious meaning)?
- Should there be a single all-embracing societal security concept covering all uses of military forces and assets (also for traditional defence), or does the Swedish/Norwegian model, keeping a separate 'total' defence concept for the forces but emphasizing civil–military cooperation, have merits?
- What are the best models of horizontal and vertical coordination among government actors, including the centre/province division of roles? What are the respective merits of giving strong coordinating powers to one ministry or coordination agency, and of spreading responsibilities more equally? What is the correct role for the head of government and his/her office? How should external partnerships and communications be factored in?
- What resources should be spent on societal security overall and how should they be prioritized, *inter alia*, between military and non-military spending?
- What is the optimum small state design for prevention, planning (including exercises and training), incident response, reconstruction and integration of lessons learned?
- How should government cooperate with private business actors, NGOs, the media, and relevant social actors? Should active partnerships be legally defined, or based on commercial contracts, or should they remain ad hoc and voluntary? How much is it acceptable to delegate to non-governmental actors? At what level(s) should coordination with them take place?
- What should be the approach to informing and mobilizing the public? How to strike the balance between proper preparedness and resilience, and avoiding over-securitization or panic? How should security be defined in a way that is not itself divisive between different social groups and cultures, and soothes rather than aggravating their self-constructed divisions? How to should a large permanent or seasonal tourist population be dealt with?

In conclusion

No security model yet devised is without its faults, and the societal approach is surely no exception. It is very much a child of its time, reflecting the shift from military to other preoccupations towards the end of the twentieth century, and the high-water-mark of social development and peace achieved in the Nordic nations that first introduced it. It also, however, responds rationally to some trends that are unlikely to disappear any time soon: notably the growing power of non-state actors everywhere, for good or ill. Thus, even if a better overall solution is found for comprehensive security in a democratic state, some building-blocks of the societal approach are likely to survive.

We have argued that the societal approach has some features that are especially helpful to small states, with their limited resources, sometimes atypical security profiles and exposure to transnational trends. At the least, almost any small state could benefit by *asking itself the questions* necessary to formulate and test a societal policy framework. For some governments, the extension to multiple

non-military dimensions of security may prove most liberating. For others, conceptualizing the three-way dependence between state, business and society could be the breakthrough. For those deciding to go ahead with a full-fledged societal approach, it must be stressed again that neither the name used nor the copying of any particular model is crucial. Societal security should emerge from the society it belongs to: tailor-making it to the locality means not just greater efficiency, but a better chance of broad social acceptance and ownership.

Last and most obviously, no societal security policy can stand still and no implementing machinery should be designed for permanence. One of the truths behind the securitization concept is that security is what leaders and people think it is *at any given time* – and there is ample room for second thoughts. A good policy will be designed from the outset not only to allow frequent reviews, but to use the same inclusive, cross-sectoral, transnational methods in that process as those that underpin the strategy itself.

Notes

1 This chapter accepts the definition of small statehood proposed in Chapter 1, and takes its test-cases from states with less than ten million inhabitants.
2 In particular, traditional military threats have receded from the Caribbean and Pacific regions since 1945 and Western and Central Europe since 1990. Most European small states that still feel strategically vulnerable have already gained or are seeking the shelter of NATO and EU membership; on the more exposed cases of Moldova and Georgia, see Chapter 9 in this volume.
3 This military/non-military distinction is particularly clear in Norway and Sweden, where the state maintains a policy of military ('total') defence alongside an official 'societal security' doctrine covering just about everything else.
4 The related principle of Responsibility to Protect empowers international society to intervene without the local powers' consent in cases of extreme abuse (genocide) or neglect of a people. A corresponding statement was adopted by the UN Summit in September 2005 (UN 2005: para. 139).
5 This section owes much to Roe (2010).
6 Arguably, a restatement in other terms of the long-standing dilemma over 'self-determination'.
7 See p. 28.
8 Difficulties arising in this context are further explored in the section 'A final critique', on p. 74.
9 See www.forskningsradet.no/prognett-samrisk/Home_page/1228296552859 (accessed 20 September 2012), including the text 'Results from the programme: What we know about societal security'. Another good source of research materials is the website www.societalsecurity.eu/ (accessed 20 September 2012). In 2013 the Nordic states agreed to launch a new, joint research programme to create centres of excellence on societal security throughout the region: see www.nordforsk.org/en/programs/programmer/samfunnssikkerhet (accessed 20 September 2012).
10 Author's translation from the Norwegian: 'hendelser som truer sentrale samfunnsinstitusjoner, vår felles sikkerhet eller den enkeltes trygghetsfølelse'. Taken from the official website at: www.regjeringen.no/nb/dep/jd/tema/samfunnssikkerhet-og-beredskap.html?id=87075 (accessed 20 September 2012).
11 Author's translation from Royal Norwegian Ministry of Justice and Police, St. melding (state report) nr 22 2007–8, text at: www.regjeringen.no/pages/2073310/PDFS/STM200720080022000DDDPDFS.pdf (accessed 20 September 2012), p. 6.

12 'Main public sector functions' is a standard phrase in Norwegian security planning and refers to major utilities like energy, food and water supplies, transport and communications, plus basic financial services.
13 Author's translation, from the official website at: www.regjeringen.no/nb/dep/jd/tema/samfunnssikkerhet-og-beredskap.html?id=87075 (accessed 25 October 2012).
14 Ibid.
15 In the Swedish and Finnish systems, control of complex emergencies would pass directly to the Prime Ministerial level where the key resources (24/7 situation centre etc.) are located, but this is somewhat less clear in Norway and Denmark.
16 Aside from Norway and Sweden, which expressly use the societal term (samfunnssikkerhet and samhallssäkerhet respectively), Finland has formulated a 'comprehensive' approach to national security that means much the same in practice. Denmark sets similar goals for emergency preparedness and management in a 'robust society', with perhaps greater emphasis on international human threats. Iceland has a coordinating institution under the Ministry of Justice with the title of 'Almannavarnir', officially translated as civil defence or (more recently) civil protection.
17 On the significance of Article 223 and its precursors, see Rhinard and Myrdal (2010).
18 For instance, Iceland's independent risk assessment of March 2009 cited the EU as a key partner in numerous areas of civil security (Icelandic Ministry of Foreign Affairs 2009).
19 The problem is of course aggravated when different ethnic, religious etc. groups are clustered in the different regions.
20 This last point hardly needs to be laboured in the case of the Western Balkan small states, Cyprus or Georgia.
21 Insights into variations and limitations of Nordic 'societal' practice are given in Britz (2008). For a critical review of Icelandic internal emergency handling see Bernhardsdóttir and Svedin (2004).
22 A study of elite reactions to the idea of 'societal' security carried out in Iceland in 2008 gave some credence to all these points, but also showed what misapprehensions and fears any new proposal could evoke in a traditionally polarized sphere. See Bailes and Gylfason (2008).
23 A good start is made on remedying this weakness in (World Bank 2011).
24 For current information on EU policy see www.travel-voyage.consilium.europa.eu/file.asp?thepath={5D28E317–0BC5–435A-BCA7-FAFE6CAD6A58}.pdf and http://ec.europa.eu/echo/civil_protection/civil/prote/perspectives_en.htm (both accessed 25 October 2012).
25 See note 22.

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5 Environmental security and small states

Auður H. Ingólfsdóttir

Introduction

Without nature humans would not exist. The natural world is not only a provider of food, water, energy and other necessities vital for our survival, but also a place where we seek joy and inspiration. All human communities are shaped by their natural environment and rely on natural resources in order to flourish. The nurturing element of nature, however, only tells part of the story. The environment is also a source of multiple threats that can endanger the security of individuals and communities. In some instances, environmental hazards can also threaten the national security of states or even global security. While certain environmental hazards, like natural disasters, have always existed, the ways humans have over-exploited resources and polluted the environment in modern times have created new threats. In other words, man-made environmental degradation is causing multiple security threats that call for our attention.

The topic of this chapter is environmental security and it focuses on why this type of security should be of any relevance for small states. After discussing the different understandings of environmental security, the link to small states will be established and the importance of this particular dimension of security for them will be explored. Finally, the opportunities small states have to influence discourses on security and the environment at the international level will be discussed. A key argument presented in the chapter is that although small states are vulnerable to environmental threats, especially when such threats originate outside their borders, they also have opportunities to influence policy at the international level by acting as 'norm entrepreneurs'.[1] The power to shape norms, however, will be weakened if domestic policies are in conflict with the ideals that small states are advocating in international forums.

The theoretical underpinning of this argument is drawn from social constructivism. Constructivists emphasize the social dimensions of international relations, including the importance of norms, rules and language, and the possibility of change. Unlike the neo-realists and neo-liberalists, whose main focus is on structure, constructivists believe that although states are influenced by structure, they also have agency and can facilitate changes through a process of interaction with other states (Fierke 2010: 179–180).

Throughout the chapter, climate change will be used as an example of an environmental issue that threatens security. Climate change serves as an interesting case since it is a truly global issue that demands the cooperation of all states. No single state, large or small, can tackle problems related to climate change with domestic policies alone, since the threat originates both outside and inside the borders of each state.

Environmental security: what is it?

The United Nations Conference on the Human Environment, held in Stockholm in 1972, firmly placed environmental issues on the agenda of international politics. Concerns about the vulnerability of human communities to the degradation of the environment continued to grow during the 1980s, spurred by events like the Exxon Valdes oil spill and the Chernobyl disaster. Debates about whether and how environmental degradation should be linked to security are, however, a more recent phenomena that can be traced back to the early 1990s (Haldén 2011: 406–407). This is in line with the general trend since the end of the Cold War to broaden the range of issues defined and addressed as belonging to security, at national, regional and global levels.[2]

The most dominant discourses on environmental security can be roughly divided into two camps. On the one hand, we have the view that environmental degradation will increase the number of violent conflicts in the world, which will be a threat to the national security of the relevant states. On the other hand, there are those who prefer to understand environmental security in the context of human security, where the degradation of the environment poses a variety of threats – not necessarily involving open violence – to the daily lives of peoples around the world.

'The 1990s will demand a redefinition of what constitutes national security' wrote Jessica Tuchman Mathew in a call for more attention to be given to environmental and resource issues (Mathew 1989: 162). Her paper was published in *Foreign Affairs*, a US foreign policy journal widely read in policy circles. Thus, the article was clearly aimed at influencing policy makers by elevating environmental concerns to the level of security issues. In other words, environmental problems were 'securitized' in the hope that this would give them higher priority on the policy agenda (Barnett 2001a: 42). Calling for a redefinition of national security, however, was problematic for many of those used to working with a more traditional meaning of security. Deudney, for example, argues against linking environmental degradation and national security. Security, in his view, is first and foremost related to violence, and most of the causes and cures of environmental degradation will be found outside the domain of the traditional national security system focused upon violent risks (Deudney 1990).

Barnett (2001a) uses the same premises as Deudney to conclude that so long as national security continues to be the domain of the military, then national security logic will be incapable of grasping environmental issues and dealing with them effectively. This is not, however, the point that most writers who link

environmental issues with security are actually aiming at. As Barnett acknowledges, most of them are also calling for a redefinition of the security concept and criticizing the realist understanding of security, with its narrow focus on military security and its assumption that the military is the most relevant actor (Barnett 2001a: 45).

One consequence of linking environmental issues with the traditional understanding of national security is that the focus remains on the question of whether environmental degradation triggers violent conflict. This emphasis is what Detraz and Betsill (2009) label as the environmental conflict discourse. This discourse focuses on the potential for humans to engage in violent conflict over resources, which in turn threatens the security of the state. Much has been written about the potential link between environmental degradation and violent conflict, but so far this research has failed to establish clear links between the two. Thus, it seems that the literature has been theoretically driven rather than based on empirical evidence (see, e.g. Haldén 2011: 409 and Salehyan 2008: 316).

As a better alternative to treating the environment as a sub-theme of traditional national security, Barnett proposes the following definition of environmental security:

> The process of peacefully reducing human vulnerability to human-induced environmental degradation by addressing the root causes of environmental degradation and human insecurity.
>
> (Barnett 2001a: 129)

This definition implies that rather than linking environmental degradation directly to national security, it should be viewed as one dimension of human security.

When environmental security is nested in the human security framework, as Barnett suggests, it shifts the emphasis from national security and the armed protection of territories towards a focus on the security of individuals and sustainable human development. The concept of human security can be traced back to a UNDP report, published in 1994, where the traditional concept of security is questioned:

> The concept of security has for too long been interpreted narrowly: as security of territory from external aggression, or as protection of national interest in foreign policy or as global security from the threat of a nuclear holocaust. It has been related more to nation-states than to people.
>
> (United Nations Development Programme 1994: 22)

The report then goes on to discuss a long list of threats to human security and groups them into the seven following categories: Economic security, food security, health security, environmental security, personal security, community security and political security.

An important feature of the human security approach is the possibility for analysing security threats as they apply to different groups in society, rather than only focusing on the state as the unit of analysis. In this context, identifying vulnerable groups might be more important than looking at environmental security through the lens of state security, regardless of whether the states are small or large. That said, there are still some issues that require the cooperation of states. This applies in particular to environmental issues that are global in scope, such as climate change.

As an environmental problem, climate change is on a different scale from anything else the international system has previously encountered. Increasing temperatures will not only drastically alter natural environments, but can also lead to huge changes in living conditions for humans (Vogler 2008). These changes will provide a number of new security challenges, some of which can only be dealt with at the international level. Examples of new security challenges include the increasing risks of coastal erosion and more frequent floods in low lying coastal areas (due to rising sea levels), an increase in the number and intensity of extreme weather events, and the risk that millions of people will be exposed to increased stress from water shortage in the future (International Panel on Climate Change 2007: 48).

In this light, it should not come as a surprise that the debate on environmental security has been revitalized in recent years due to the increasing spotlight on climate change as a security issue. In the 1990s, climate change was discussed as part of the environmental security discourse, but by the beginning of the twenty-first century it had emerged as a separate issue. It was quickly connected to human security, although the possibility of linking climate change with future conflict causation was also raised (Haldén 2011: 410).

The publication, in 2007, of the fourth assessment report of the Intergovernmental Panel on Climate Change (IPCC) (International Panel on Climate Change 2007) brought a turning point in the securitization of climate change. The report repeated the earlier message about human-induced climate change, but with much more scientific certainty than before. Also in 2007, Al Gore and the IPCC received the Nobel Peace Prize for their work in drawing attention to the danger of climate change, and in April that year the UN Security Council held its first debate on climate change and global security. Although predictions about climate change causing future conflicts were prominent, especially in the media, an analysis of these developments by Detraz and Betsill (2009) indicates that in international forums the main focus has been on the environmental security discourse, rather than the environmental conflict discourse. Their research is based on reviewing a number of UNFCCC[3]-related documents as well as the debate in the Security Council. Using content and discourse analysis, they demonstrate that both the historical climate change debate and the Security Council debate of 2007 were drawing from the environmental security discourse, rather than focusing on the linkages between environment and conflict.

Whether the focus is on environmental conflict related to climate change, or the broader environmental security discourse, it is clear that security threats caused by

climate change are on the agenda in international forums today. As already argued, climate change cannot be addressed by one state alone. It calls for cooperation, not only between states, but also between states and non-state actors, such as multinational corporations and international environmental NGOs.

Furthermore, climate change cannot be dealt with in isolation from other issues. Other types of environmental threats also demand attention, e.g. pollution, soil erosion and over-exploitation of renewable resources. While climate change might intensify problems related to those threats, preventing or minimizing it will not necessarily address the root causes of those particular problems. Additionally, threats related to climate change must be weighed against other types of security issues and the links between the different types of security threats must be kept in mind. For example, in some cases climate change could add to economic insecurity but, on other occasions, efforts to mitigate climate change might be more of a threat to economic security than climate change itself.

To sum up, climate change provides the international community with a huge task: it must simultaneously find ways to reduce climate-related security threats, and coordinate those efforts with other pressing security issues also calling for attention. International agreements will clearly play an important role in this task. In spite of the importance of other actors, states still play a key role in negotiating binding international agreements that provide the basis for establishing new norms and defining legitimate behaviour. In this context, the relative size of a state matters. For example, large states have more power to influence the overall global greenhouse gas emissions through direct action, either by cutting emissions domestically, or using their economic power to put pressure on other states to cut their emissions. This does not mean that small states are completely powerless; but they might need to be more creative in their diplomacy to have any real impact on the climate debate and large state behaviour. This thought leads us into the next section, where the relevance of environmental security for small states will be discussed.

Relevance for small states

Are small states more vulnerable to environmental threats than larger powers? The short answer would be: it depends. In many cases, the strength of domestic institutions might be more important when dealing with environmental threats than the actual size of the state. Small states should not be confused with weak states, as Neumann and Gstöhl emphasize (2004: 4). A small state with strong democratic institutions, high GDP per capita, and a highly educated population is likely to have more resources to tackle environmental threats than a poor, developing country with a fragile political system, even if the latter is much larger in size. This logic applies when dealing with the consequences of environmental degradation, but is also relevant when addressing the root causes to the extent that those can be dealt with domestically – as is the case with local pollution, or the overuse of a resource located within the boundaries of one state. When the environmental threat is regional, e.g. acid rain, or global, like the

thinning of the ozone layer or climate change, small states become more vulnerable to consequences beyond their own control.

Geography is another factor that might be more relevant than the size of a state when it comes to vulnerability to environmental threats. Sea level rise due to climate change is a good example. Small island states are especially vulnerable to sea level rise, but cities along the coast of big states like China, India and the US are also threatened. The German Advisory Council on Global Change (2007) has labeled ten regions of the world as 'hotspots of climate change', arguing that climate change will present particularly severe challenges in these regions in the next decades. The ten hotspots are the following:

1 The Arctic and subarctic
2 Southern Europe and North Africa
3 The Sahel zone
4 Southern Africa
5 Central Asia
6 India, Pakistan and Bangladesh
7 China
8 The Caribbean and Gulf of Mexico
9 The Andes region
10 The Amazon region.

As can be seen from this list, regions at special risk include states of all shapes and sizes. Barnett has summarized the situation by stating that: 'Climate change is a security issue for some nation-states, communities and individuals' (Barnett 2001b: 2). Among those especially vulnerable, he mentions small island states (threatened by sea level rise), Inuit communities in the Arctic (threatened by thinner ice and less predictable snow cover), people living in the deltas of Bangladesh (where floods will be more common) and communities in the highlands of Papua New Guinea (increasingly prone to diseases spread by mosquitos) (Barnett 2001b: 2).

Climate change does not only pose threats to individual regions of the world but can also threaten international security. One example would be when climate change triggers or intensifies migration within and between countries; another would be if climate change leads to a growing international distributional conflict between the main drivers of climate change (industrialized countries) and those most affected (developing countries). If climate change exceeds the adaptation capacity of many states, this could also increase the number of weak and fragile states, which can threaten stability in the world (German Advisory Council on Global Change 2007).

There are two key methods to minimize threats presented by climate change: mitigation and adaptation. Mitigation aims at preventing or limiting change and involves implementing policies to reduce greenhouse gas emissions. Adaptation refers to initiatives and measures to reduce the vulnerability of natural and human systems to climate changes that are already happening or are expected to

happen. Earlier efforts focused almost exclusively on mitigation, but as time has passed and attempts to reduce overall global emissions have failed, the need to focus on adaptation has increased. As stated earlier, weak and fragile states – located in geographical areas that will be hit hard by climate change – are the most vulnerable, and will have the hardest time adapting to the changes. Many of those countries, especially the smaller ones, have also contributed little to overall greenhouse gas emissions, and thus are unable to offer their help by taking relevant mitigation measures domestically. Small island developing states are a good example. Their contribution to global greenhouse gas emissions is minimal but they may experience the most serious impact, and some even face the threat of going completely under water. This leaves these states in the vulnerable position of having a vital stake in the international effort to combat climate change and enhance climate security, but without the means to contribute significantly to mitigation or adaptation measures (Betzold 2010: 131).

Smaller states in Northern Europe are in a different position. Most of them have the resources to defend their population against moderate climate changes through adaptation. In some cases, the changes might even bring new economic opportunities, especially for those located in the Arctic. The melting of the Arctic ice cap will increase accessibility to the region, which will bring both new opportunities and risks. New opportunities could include more shipping (both from transport and tourism), oil and gas development and the opening up of new fishing grounds. A warmer climate might also benefit agriculture in certain Arctic regions. A recent report by the Nordic Council of Ministers lists 'Increased accessibility that will provide opportunities as well as new risks', as one of nine mega-trends currently characterizing the Arctic (Nordic Council of Ministers 2011: 13). The small state of Iceland, with a population of only 300,000 people, can be taken as an example. Planning authorities have already adopted policies aimed at taking future climate changes into account. Since 1992, harbours have been designed with rising sea levels in mind and the National Power Company (Landvirkjun) has done some work on estimating the influence that warmer temperatures will have on renewable energy sources, especially hydropower (Ministry for the Environment 2010: 78).

If climate impacts become even more dramatic, however, the adaptation capacity of even the more favourably placed states might be exceeded. Thus, mitigation is a vital component of enhancing climate security in the long run. When it comes to mitigation, however, small states have very little direct power to influence overall global emissions. Going back to the case of Iceland, greenhouse gas emissions from Iceland are only a tiny fraction of global emissions. Even if emissions there could be cut down to zero, this would not make a noticeable dent in the overall output. This fact creates a great temptation for small states to act as 'free riders' when it comes to contributing towards solving the climate crisis. This is exactly what Iceland did during the negotiations for the Kyoto Protocol, where the Icelandic negotiating team managed to get a special exemption from greenhouse gas emission limits for Iceland's new large-scale industries using renewable energy.[4] This negotiating tactic was, in turn, driven by special

interests, leaving little room for Iceland to contribute to the discussion on how to reduce global emissions, even though this was a common interest for all states (Ingólfsdóttir 2008).

Another, more recent example of a small actor flirting with the free rider approach is provided by Greenland.[5] Greenland is frequently taken as an example of a place where the impacts of climate change are particularly severe. Prior to the 2009 Copenhagen climate conference, Denmark used Greenland as a meeting site for high-level policy makers, so they could observe the effects of climate change at first hand (Degeorges 2010: 3). Today, however, with increasingly easy access to resources in the Arctic, foreign investors are standing in line for oil and gas explorations off the coast of Greenland and for mapping out sites for potential mineral mining on land (Rosenthal 2012). In sum, the impact of climate change is creating new economic opportunities, but taking advantage of those opportunities means a large increase in emissions from this region, further adding to the climate problem.

A closer look reveals that the tension between trying to implement an ambitious climate policy and the pressure to continue with economic development, often leading to an increase in emissions, can be found in most places that have committed to the task of keeping greenhouse gas emissions in check. Norway, another small state in Northern Europe, is yet another example. The Norwegian government has announced its ambition to become 'carbon neutral' by 2030. At the same time, there are plans to start offshore oil and gas activities in new locations, just south of the Barents Sea. The Norwegian Minister of Foreign Affairs, Jonas Gahr Støre, addressed this dilemma in a speech to the Norwegian Parliament in 2008: 'Norway has to find a balance between the superior climate target and safeguarding Norwegian interests in the north', he said (quoted in Kristoffersen and Young 2009: 577).

This issue can also serve as an example of how tension can arise between the demands of different security dimensions. Economic, financial and societal security at home is likely to have more weight in domestic policy making than concern for global environmental security.

Given the small impact that any reduction in emissions from small states can have on global emissions, it is understandable that economic interests tend to be prioritized over an ambitious climate mitigation policy. This approach, however, could weaken the power of small states to act as norm entrepreneurs in international forums, which is generally their best opportunity to influence the behaviour of larger states. The role of a norm entrepreneur is a challenging one, because it requires a long-term vision and the willingness to take a higher moral ground, advocating policies that aim at supporting the common interests of all states rather than the special interests of a few.

How can small states have influence?

Large and powerful states have more options than small states to influence world politics. They can exercise direct power using their military capabilities or use

economic power to put pressure on other states. A hegemonic power can even unilaterally take a decision that has a 'ripple' effect throughout the world. Smaller states have more limited options. They can enter into bilateral partnership with stronger states, or reach agreements through multilateral, including institutional, methods. Another option is to rely on the power of ideas (Ingebritsen 2006: 1–2). It is through this last approach that small states might be able to exercise their power to positively influence the climate agenda most effectively. This brings us back to the option of acting as norm entrepreneurs.

Scholars of international relations have studied the role that norms play in international politics. Norms generally have to go through three phases before they are institutionalized as legitimate behaviour: norm emergence, norm acceptance and norm internalization. Norms do not emerge by coincidence, they are actively pursued by agents with strong opinions about a desirable behaviour in a community (Ingebritsen 2002: 12). With the rise of social constructivism in international relations studies, the power of norms has been receiving increasing attention. There are several examples where small states have acted as norm entrepreneurs in international politics.

Ingebritsen argues that the five Nordic countries (Sweden, Norway, Finland, Denmark and Iceland) have acted as norm entrepreneurs in international politics in three policy areas: the environment, international security and global welfare. She points to the reputation of those states as trustworthy and effective negotiating partners, their role as neutral mediators in international conflicts, and their strong democratic institutions as reasons for their effectiveness in this area (Ingebritsen 2002: 13). All of the Nordic states would be considered small states by any definition,[6] but they are strong in the sense of having well-functioning domestic institutions and their populations enjoy high living standards.

Sweden's hosting of the UN Conference on the Environment in 1972, and Norwegian leadership in promoting the norms of sustainable development within the UN,[7] are named as examples of the Nordics acting as environmental entrepreneurs (Ingebritsen 2002: 14). Denmark's hosting of the COP 15 climate meeting in Copenhagen in 2009 could also be interpreted as an attempt to show leadership in dealing with the climate crisis. The failure of states to reach any meaningful agreement in Copenhagen, however, serves as a reminder that not all such attempts are successful.

Other scholars have tested Ingebritsen's theses by examining the influence of small states in the European Union. One study from 2002 evaluates the effectiveness of Sweden's pressure for environmental norms within the EU. For a long time, Sweden has been active in putting environmental issues on the international agenda and, when the country joined the EU in 1995, the Swedish government promised it would not compromise domestic environmental norms (Kronsell 2002: 287). As in other international forums, the economic and military power of large states gives them more power within the EU than small states. Yet voting strength is not the only way to influence policy outcomes, since much of the work takes place in venues and modes where representatives of all states have the opportunity to shape the discussion. Kronsell concludes that

Swedish policy makers have clearly had some success in pursuing their goals in the area of environmental policy. She takes the adoption of an EU acidification strategy and the revision of chemical industry policy as an example.

Kronsell identifies four factors as important for small states if they want to be effective as norm setters. The first one is reputation. In the Swedish case, the fact that Sweden had previously been known as an advocate for the environment meant that others in the EU expected it to be in the forefront when discussing environmental issues. The second factor is expertise and knowledge. Having good access to scientific knowledge helps a small state to establish credibility. Third, having already implemented progressive national policies domestically can give small states an advantage, first and foremost as credible actors, but also because successful national policies can serve as an inspiration. Finally, to be effective, the negotiating strategy must be in alignment with national interests of the state. In this case smallness can be an advantage, since forming a clear and unified national position should be easier in smaller settings (Kronsell 2002).

Small island developing states (SIDS) are another example of a group of states that have managed to influence international discourses in spite of their small size. The Alliance of Small Island States (AOSIS) has been one of the most vocal participants in the climate negotiations from the start. Betzold conducted an analysis of the influence of the AOSIS in international climate negotiations for the period 1990–1997 (the negotiation period for both the UNFCCC and the Kyoto Protocol). Her conclusion was that although the small island states did not have enough power to facilitate the creation of a climate regime strong enough to prevent climate change, their participation still had more influence than would be expected given their small size.

Betzold explains that although the AOSIS lacked traditional sources of power, they were able to draw on external sources (Betzold 2010: 143). The AOSIS appealed to norms and principles in their interventions. They spoke from the position of the 'innocent victim' of the actions of others, particularly developed countries, and argued that those responsible for historical emissions had a moral duty to act. With the four factors identified by Kronsell in mind, it can be argued that the AOSIS had a clear and unified message about the national interests of their member states (i.e. their very existence is threatened by climate change). The AOSIS have been active participants in the climate negotiations from the beginning, and with time earned the role of a credible player. One method they used to give their message more weight was strong reliance on scientific evidence. This was possible because the AOSIS negotiating bloc was supported by a number of NGOs that provided both technical information and legal advice (Betzold 2010).

Another factor that Kronsell identified as important in the Swedish case was having implemented progressive policies domestically. This factor does not seem to have played a role in the negotiation strategy of the AOSIS, partly because their greenhouse gas emissions were, in most cases, rather low to start with, and partly because developed countries were generally expected to show leadership in mitigation efforts. Thus, while the AOSIS have played a role in

creating the understanding that all states have a moral duty to mitigate climate change, they have not been able to inspire other states with policy models of their own – demonstrating that cuts in emissions are not only desirable, but also possible.

What about the Nordic states? Do they have the potential to play the role of norm entrepreneurs in the climate crisis by setting examples with progressive domestic climate policies? The Nordics states have already established themselves as states that are serious about environmental issues, and all of them have put forward ambitious targets aimed at decarbonizing their economies by 2050. The International Energy Agency (IEA) sees the Nordic states, with their progressive policies, as leaders in the global transition to a low-carbon energy system (International Energy Agency 2012). Setting policies, however, is only the first step: the true test comes with implementation. The IEA analysis also suggests that while Nordic national targets should be achievable, there are a number of critical challenges standing in the way. The nations' track records are in fact mixed, with only Sweden and Denmark making noticeable reductions in greenhouse gas emissions in the period from 1990 to 2010 (Nordic Energy Research 2012). The examples given earlier from Iceland, Greenland and Norway also demonstrate that implementing policies that reduce emissions is not a simple task when those policies conflict with economic interests. Thus, a key factor in deciding whether the Nordics can act as norm entrepreneurs in the climate debate will be how successful those states are in implementing their own climate targets.

Conclusion

Human-induced environmental degradation is a growing problem that threatens both the human security of individuals and groups and the national security of selected states. Additionally, some environmental issues are global in scope, and have the potential to threaten international security as well. Climate change is one such example begging for the attention of the international community.

Smallness is not the only factor of relevance when evaluating the environmental security of states. Geography, standard of living and human capital are, in some cases, more relevant factors. When it comes to global problems like climate change, however, small states are more vulnerable than large ones in the sense that they have less power to take direct action that will have any real impact on mitigating climate change. Their smallness also limits their options for effective adaptation and if the latter fails, they are liable to become an early source of climate-driven migration.

Although small states are unable to use their military or economic power to change the behaviour of large states, they have the opportunity to influence international discourses and act as norm entrepreneurs. In the long run, this will help enhance their environmental security. The role of a norm entrepreneur, however, requires a clear vision and a long-term commitment. It calls on states to focus on common global interests and to provide leadership in implementing progressive

domestic policies. The Nordic states have often acted as norm entrepreneurs in environmental policy, both internationally and within the EU. They are viewed by many as leaders in the climate policy field as well, but domestic economic policies in conflict with their climate goals might weaken their power to act as inspiration for other states.

Notes

1 The term 'norm entrepreneur' is borrowed from Christine Ingebritsen who has written much about the role of the Nordic countries in world politics (Ingebritsen 2002, 2006).
2 See Chapter 2 in this book.
3 UNFCCC stands for the United Nations Framework Convention for Climate Change. Among the documents reviewed were summaries from COP (Conference of the Parties) meetings that are held every year.
4 The agreement about this exemption was reached at COP 7, and is listed as Decision 14/CP.7. The decision is only relevant for small economies, emitting less than 0.05 per cent of the total Annex I carbon dioxide emissions in 1990. What this means in practical terms is that Iceland is the only state that benefits from the exemption.
5 Greenland is a self-ruled territory that is part of the Kingdom of Denmark. With only 57,000 inhabitants it can definitely be considered small (although it is not yet an independent state).
6 See Chapter 6 in this book.
7 Gro Harlem Brundtland, the former Prime Minister of Norway, led the work of the World Commission on Environment and Development that authored the famous report 'Our Common Future' (1987), where the idea of sustainable development was presented.

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Part II

Small state security in Europe

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6 The Nordic states and security

Clive Archer

Introduction

Since the end of the Cold War, the five Nordic states have reacted to their new security environment in ways that demonstrate an awareness of the opportunities provided for small states. They have also tried to adapt to new circumstances by showing the strengths and weaknesses of small states of varying sizes in differing contexts.

The five Nordic states – Denmark, Finland, Iceland, Norway and Sweden – are often placed together in international relations and frequently consider themselves as a Nordic group with much in common. However, their closeness in areas such as culture, social welfare, justice and even economic matters has not been matched by a common approach to security policy, or indeed in their land size and population size (see Table 6.1).

The disappearance of the Cold War ended many outside restraints on the security of the Nordic region and also brought in new security concepts, many of which have been embraced by Nordic security decision-makers. Furthermore,

Table 6.1 The Nordic states: some comparisons

	Area	*Population*	*NATO/EU member/link*	*Defence expenditure*	*Troops*
	km²	*million*		*US$2007*	*2008*
Denmark	43,094	5.5	NATO, EU	4.2 billion	29,550
Finland	338,145	5.3	PfP, EU	3.2 billion	29,300
Iceland	103,000	0.3	NATO, EEA	–	–
Norway	323,802	4.7	NATO, EEA	5.6 billion	19,100
Sweden	450,295	9.1	PfP, EU	6.8 billion	16,900

Notes

Area and population statistics from The Central Intelligence Agency, The World Factbook, at www.cia.gov/library/publications/the-world-factbook/wfbExt/region_eur.html (accessed 4 August 2012); population figures for 2013, area for Denmark excludes Greenland and Faroes.

Defence expenditure and troop statistics from IISS (2009); manpower – army, navy and air force, plus central support in Norway and joint force personnel (including civilians) in Denmark.

PfP: Partnership for Peace agreement with NATO.

EEA: European Economic Area agreement with the EU.

the five states made an effort in the Stoltenberg Report (Stoltenberg 2009) to find the basis for common action on security matters. This combination of closeness and divisions in security matters makes the responses of the five Nordic states interesting in terms of defence and security analysis in the post-Cold War period.

The background

Some elements of history already distinguish certain Nordic states from others. They may all now be regarded as 'small states': but Denmark and, especially, Sweden were great powers in their time that became 'small' – in the sense of this volume – over the years. Norway, Finland and Iceland were born as small states in the twentieth century, thus having their expectations already trimmed.

After World War II, in the 1948 attempt to establish a Nordic Defence Union, Denmark, Norway and Sweden agreed on a high level of defence cooperation; but negotiations broke down because Denmark and Norway wished to sign the North Atlantic Treaty and Sweden did not. Indeed, military cooperation based on these talks continued between the three states, often on a secret basis, well into the Cold War.

NATO membership meant that Denmark, Norway and Iceland – especially the first two – had increasingly close cooperation within NATO's command structures. Nevertheless the defence and security orientations of the three states were somewhat different. Denmark looked to NATO's central front, but had residual interests in the Atlantic through the defence of the Faroe Islands and Greenland. Norway's concerns were increasingly with the Kola Peninsula (where forces of the neighbouring Soviet Union were massed) and the North Atlantic; while Iceland's relations were mainly with the US, its defence protector.

The Cold War implanted deep defence and security differences between the Nordic states, based on their strategic positions and alliance choices. Denmark and Norway had decided to balance against the Soviet Union, rather than bandwaggon with it – which was broadly the choice that Finland felt it had to make. Iceland bandwaggoned with the US and Sweden found its own way of balancing against the perceived power of the Soviet Union. However, the Nordic governments chose to maintain a certain internal dynamic in the security field that helped shape the Nordic region overall as 'a low-tension area', where the Nordic states 'chose to take into account the position and interests of their neighbours when making decisions about security.' This was less 'the product of deliberate design but rather the aggregated result of incremental decisions and adjustment' (Holst 1990: 8). The result was sometimes characterized as the 'Nordic balance'.

During the Cold War, the Nordic governments saw the concept of security in wide terms. The notion of 'total defence' was accepted, whereby society was prepared to defend the state against attack by utilizing economic and social resources. Similar ideas were seen in 'civil defence' in other states (such as the US and UK), but the small homogenous Nordic countries were able to implement them more

easily. In the Nordic states, security policy meant defence policy plus diplomacy, economic policy and social policy.

The five Nordic states had the advantage of being a security community as they conducted their mutual relations without expecting the use of force and intra-Nordic policies were conducted almost as if they were domestic policies. This meant that, in dealing with wider aspects of East–West relations (e.g. disarmament), North–South relations in the UN and international peacekeeping, the Nordic states stressed non-zero-sum solutions and the wider acceptance of law-based norms in international relations.

The diversification of the five Nordic states' core security policies according to the demands of the Cold War partly continued the domination of those policies by Great Power considerations seen before 1945. Nevertheless, there was some commonality within Nordic security policy and culture, and where the governments could act together – for example in training for peacekeeping – they did.

National challenges and responses

The end of the Cold War opened up new policy options for the security decision-makers in the Nordic states, but also provided new security challenges. Nordic decision-makers made different choices over time and by country in dealing with these opportunities and challenges. The greatest variations can best be explained by the perceived strategic position and culture of each state and the decision-makers' perceptions of the new international environment. There were increased chances to pursue values and identity issues through autonomous actions, but also heightened opportunities to enter into agreements and alliances with each other and with other states.

While common security challenges have faced the Nordic states since 1989, there are important differences, both in type and range, over time. The Nordic region has seen a sizeable improvement in its traditional security situation. The source of such security concerns has shifted from being Central Europe to the High North above the Arctic Circle, where the Nordic states are important actors. Also the Nordic states have defined military security concerns outside the Atlantic area as being their business. The five states have varied in their approach to non-traditional security concerns (see pp. 66–79). Generally speaking and excepting Iceland and its economic security, no Nordic state is in the front line of 'new' security challenges, though some are in the second echelon of concern over terrorist matters and there are growing longer-term issues about societal security.

In terms of policy responses, the five Nordic states have been 'stuck with the power configuration and its institutional expression' (Mouritzen and Wivel 2005: 4). However, internal political, societal or economic factors have fed into security responses, often as restraints. For example, public opinion has swayed Sweden and Finland's approach to NATO membership and also Icelandic governments' responses to economic challenges.

Finland

The end of the Soviet Union changed Finland's security environment. However, Russia's military capability in the region endured, and the security intentions of the Russian governments under Yeltsin and Putin were somewhat uncertain. Thus Finland proceeded with caution when responding to the changes of 1989–1991; but once free of the 1948 Treaty of Friendship, Cooperation and Mutual Assistance with the Soviet Union, it directed its strategic aim towards becoming fully integrated into the European Union (EU). Finland emphasized the security community side of the EU and a 'narrow notion of military non-alignment' (Ojanen 2008: 56–58). Finland was active in bringing 'the Petersberg Tasks'– with their broad approach to security – into the ESDP, and by the end of 2004 Finland was committed to joining two EU battlegroups and became fully involved in EU, UN and other international peace operations. It is now fully engaged in international crisis management.

The core of Finland's defence posture remained fairly untouched by the surrounding strategic changes, reflecting the feeling that, locally, these might mean less to Finland than to other states. The emphasis was on territorial defence against an enemy that might seize Finnish territory, and conscription underpinned the doctrine of a 'credible national defence' (Ojanen 2008: 61). Furthermore engagement with NATO – though not full membership – has allowed Finland greater interoperability of forces in the case of peacekeeping operations, and has helped to strengthen Finland's defence forces and the ability to receive outside assistance (Government Report 2001: 26, 57–58).

The main challenge to Finland's military defence has come through internal factors. The 2012 Defence Forces Reform Concept identified a shrinking conscription age group, rising defence materiel prices and other cost increases as being the stimuli for reform (Finnish Defence Forces 2012: 3). As a result, the wartime forces will be further reduced from an earlier 450,000 and 350,000 in 2011 to about 230,000 in 2015 (Finnish Defence Forces 2012: 14): still a sizeable strength for a country of less than 5.5million people.

Finland has widened its concept of security since 1989. Traditionally, 'total defence' has linked the public and private sectors and individual citizens and has encompassed territorial defence, economic and civil defence, public safety, technical systems and health care (Government Resolution 2003). More generally, key threats were seen in 2004 as including:

> Terrorism, the threat of the proliferation and use of weapons of mass destruction, regional conflicts and the use of military force, organized crime, drugs and human trafficking, economic and technological risks, environmental problems, population growth, population migrations and epidemics.
>
> (Prime Minister's Office 2004: 5)

An important moment in the Finnish response to global security challenges was its response to the Asian tsunami of 26 December 2004, when 178 Finns were

killed, but 3,300 were evacuated in five days after a Heads of Preparedness Committee – existing as part of the traditional total defence structure – was convened to coordinate state, commercial and civil society action (T. Archer 2011: 187). This fed into the 2006 report on Strategy Securing the Functions Vital to Society, which identified a range of non-military threats – terrorism, pandemics, environmental catastrophes and non-defence crises (Security and Defence Committee 2006: 48–58) – where a coordinated response was needed. In 2011, a report on Preparedness and Comprehensive Security by the high-powered Hallberg Committee recommended that 'preparedness must be based on the broadest security thinking possible, that of comprehensive security, and on harnessing the resources of the whole of society'; it concluded that no major reform of the Finnish system of preparedness was needed, but did suggest some organizational reforms. It declared that, 'The strengths of Finnish society and the characteristics of its administration form the foundation of preparedness' (Prime Minister's Office 2011: 67) – a reasonable assumption for a relatively homogenous society.

As these security threats and challenges were 'increasingly cross-border in nature' (ibid.), Finland's response became more international. The European Security and Defence Policy (ESDP) became an important element in Finnish security solutions but saw Finland moving 'obliquely forward', putting 'the brakes on more doctrinal issues and accelerating on tangible commitments' (Ojanen 2008: 74). Finland has not taken up the option of NATO membership, an issue that still divides Finnish society. Nordic cooperation on security matters is more pragmatic and less controversial (see pp. 105–6), as is the country's contribution to UN operations. More broadly, Finland has used the institutions in its region – the Council for Baltic Sea States and the EU's Northern Dimension – to spread notions of security community to the Baltic Sea area and build inclusive networks.

Nevertheless, among the Nordic states, Finland remains the one that often sees its main challenges as being 'Russia, Russia, Russia'[1] and has a strongly territorial, defence-led response. The wider security agenda is recognized, especially in Finland's engagement with the EU and in internal administrative changes. Most importantly, Finland has, since 1990, bandwaggoned with the West, but has also tried to ameliorate the Russian presence in the region by using 'soft security' institutions.

Sweden

Sweden has seen a considerable change in its strategic position since 1989, and a variety of governments have altered its defence posture and policy away from its previous position of being well armed and free from peacetime alliances. For Sweden, EU membership was a response to the Swedish economic model faltering in the early 1990s. Nevertheless, the country responded to the ESDP's evolution and Balkan events in the 1990s by Europeanizing its security policy. It became engaged in peace operations in the former Yugoslavia and was closely associated with NATO's Partnership for Peace. Sweden accepted a broad

security concept – familiar from its Cold War practice – widening it to include terrorism, natural disasters and links to development and human rights (Regeringen 2007: 1).

After 1991, in military defence, Sweden concluded that threats to its territory had broadly disappeared, and during the 2000s the basis of Swedish security shifted from territorial defence to international crisis management (Regeringen 2004: 6–7, 13–14). However, after the Russo-Georgian War of 2008, a slight move back to territorial defence was made.

The longer-term trend suggests a physical widening of Sweden's security scope to encompass possible regional and global adverse affects on Sweden's security. Sweden always considered world security to be indivisible – thus its participation in UN operations – but after the Cold War, its military posture became more specifically aimed at responding to outside threats. This represented a 'first-order change' from deterrence by denial (attacking Sweden being made not worth the cost) to active defence of Swedish interests by international crisis management, with the first line of defence being abroad (Wedin 2008: 53). Close to home, Sweden agreed not to be passive if other Nordic or EU states were attacked, accepting that it should 'have the capability to provide and receive military support' (Regeringskansliet 2011).

These policy developments were reflected in the provision for Sweden's armed forces: they were cut from 600,000 by 1999 (IISS 1999: 98–99) to 91,000 in 2009 (Försvarsmakten 2010: 11–13). Furthermore, male conscription was replaced in 2010 by contracted personnel. The 2008 Russo-Georgian War led the government to adjust the required mobilization time for most of the armed forces from a year to a week; the defence minister also proposed to end the distinction between Sweden's national effort and its international duties, and placed an emphasis on the ability to act – individually or with others – in response to threats in the region 'at short notice' (Regeringskansliet 2009).

Sweden also developed its capabilities in the soft security area. Together with Finland, Sweden pressed for the Petersberg tasks – with their emphasis on soft security – to be the basis for the ESDP, and led in proposing the development of EU civil intervention capabilities. Again, the Asian tsunami in 2004 was a key moment for Sweden, but the country's response was seen as wanting (T. Archer 2011: 187). Since then, Swedish civil preparedness has been improved with the Swedish Civil Contingencies Agency (MSB), with 850 staff, coordinating Sweden's response and cooperating with the EU. This covers all forms of emergencies (Swedish Civil Contingencies Agency 2009).

In 2010, the government recommended a comprehensive approach to crisis management. Defence and societal crisis preparedness were later given a common budget line, leading to crisis management becoming more integrated with the defence structure. The MSB now 'holds the mandate for a holistic and all hazards approach to emergency management … from everyday accidents up to major disasters' (Swedish Civil Contingencies Agency 2009).

The military and civilians work closely in dealing with a variety of events: the spring floods in Sweden in 2010, the cyber-attack against official sites in

Estonia in April 2007, the oil clean-up in the Baltic in May 2003, mass vaccination against swine influenza in April 2008, help to Haiti after an earthquake and evacuation of Swedes from the Lebanon in July 2006 (Försvarsdepartementet 2010). These scenarios would all come under category 'D', ('Accidents and Natural Hazards'), in Table 2.1 modelling a typical small-state agenda in Chapter 2 of this book (p. 31), with a touch of categories 'B' ('Non-state Violence – Cyber-attacks') and 'C' ('Economic Security', albeit abroad). The authorities also work together with civil society (with a section headed 'All Responsible'), NGOs such as the Red Cross and Save the Children, as well as with international authorities such as the Nordic 'Haga' cooperation group (see p. 106), the EU and the UN. All this demonstrates a Swedish commitment to the comprehensive model of security.

Norway

Norway proceeded with caution after the Cold War, as it still had a sizeable – and unpredictable – nuclear power on its northern doorstep.

Norway was already locked into NATO, and subsequent Norwegian governments have aimed at enhancing this link in order to keep the US and/or major EU powers by its side. The worst danger was neglect by both, and throughout the 1990s Norway sought to prevent this marginalization. First, its multilateralism aimed at enveloping itself in regional cooperative institutions to counter international anarchy and stabilize northern Europe. Second, it became more involved in ESDP, though it was not an EU member. Norway offered personnel to serve in ESDP operations, hoping to raise its status amongst EU states – what Græger called 'troops for influence' (2002: 35) – and ensure promises of reinforcement for Norway. However, the expected influence did not arrive and, anyhow, Norwegian troops available for peacekeeping were used in UN, OSCE and NATO operations, with few being left for ESDP actions.

By the mid-2000s, Norwegian armed forces were more flexible. The Telemark battalion contributed to ISAF in Afghanistan where, for the first time since 1945, Norwegian aircraft were used to attack enemy positions. Norwegian forces contributed to the NATO standing maritime force in the Mediterranean and to NATO's Kosovo operation. Norwegian aircraft were some of the first to bomb positions of Gaddafi's forces in Libya in 2011.

After the Russian-Georgian War, Norway re-emphasized that 'NATO's role as the primary guarantor for the security of its members, embodied in Article V, collective defence and security consultations, should continue to be the bedrock of alliance activity' (Barth Eide 2009). Norway saw the NATO strategy adopted at the November 2010 Lisbon Summit as showing the Allies' continued interest in areas such as the High North (Faremo 2010), despite further substantial withdrawal of US troops from Europe. Indeed, this led to a closer Norwegian military relationship with its old ally, the United Kingdom.

As well as widening its security horizon since 1989 – while keeping one eye firmly on the High North – Norway has also expanded its official understanding

of security. The Norwegian Defence Minister noted in 2000 that 'Society at large has also become more vulnerable' with increased vulnerability to sabotage being of importance for an oil and gas producer such as Norway (Løwer 2000: 2). By 2008, this had become a wider range of societal threats requiring the kinds of responses identified by Alyson Bailes in Chapter 4. More recently, both the Norwegian Ministry of Defence and the Ministry of Justice and Police have adopted a wide definition of societal security. The bombing of central Oslo and shooting of civilians on 22 July 2011, by one person, caused the Norwegian government to re-examine both the governmental and societal response to those events; this has both strengthened the agents of government dealing with crises, and entrenched their place in society.

All this has meant that Norway has an extensive range of security commitments for a small state. Its oil and gas wealth has necessitated some of those, but has also provided greater resources to help respond to them. However, it is notable that Norway still pursues alliance strategies to bring military security to its shores, and its diplomacy is clearly based on a view of international relations whereby any strengthening of international norms and institutions benefits relatively less powerful states such as Norway. These two tracks – one more Realist, the other more Liberal Institutionalist – are woven into Norway's security now, as they were before.

Denmark

Denmark was the Nordic country that benefited most from the strategic changes after the Cold War, and policies since adopted have shown a willingness to rethink the country's security policy, though still within the context of the Atlantic Alliance. Its post-Cold War security policy thus reflects not just international developments but also the debate within Denmark.

Even before the end of the Cold War, the Danish Foriegn Minister and leader of the key Social Liberal party agreed the broad outlines of a post-Cold War Danish foreign and security policy that brought to an end the period of Denmark being a 'footnote country' in NATO.[2] By early 1992, Denmark was no longer faced with the prospect of a massive attack; the main threats to European security were seen as arms proliferation, Islamic fundamentalism, the population explosion, wealth differences between North and South, the pressure of immigration and environmental threats. Security policy was 'more widely defined', with economic aspects, among others, playing a greater role (*Rapport* … 1992: 27, 32–33, author's translation).

Danish decision-makers sought a more ambitious security policy than the mostly responsive attitudes of the Cold War. This new policy of 'active internationalism' was 'a fundamental break with the past and with traditional Danish foreign policy [which was] to be less conditioned by geopolitical realities and more focussed on actively contributing to the creation of new rules of co-operation and co-existence'. The Foriegn Minister, Niels Helveg Petersen, said that Denmark had grown out of its small state role and was in the lead in areas

such as peacekeeping and aid policy (Holm 2002: 21). Indeed, it was in the latter area vis-à-vis the Baltic States, that Denmark was most proactive in the 1990s, providing materiel assistance to Estonia, Latvia and Lithuania, and promoting their quest for NATO and EU membership. Activist Baltic policies led Denmark to see itself as 'a pioneer state' in East and Central Europe (Archer 1999: 49–52, 64–65).

With Denmark opting out of the defence aspects of the EU's Common Security and Defence Policy,[3] its security policy was NATO-oriented. Early in the 1990s, Denmark restructured its armed forces by organizing an international brigade, and supported NATO's reaction forces and multinational divisions. It was active in the Balkans in peace operations (Rynning 2003: 27). However, the Danish response to 9/11 was of a different order – for the first time, Denmark was prepared to send its troops 'out of area' to fight for a cause, first in Afghanistan and then in Iraq. The new foreign policy doctrine of the centre-right government in November 2002 talked about full engagement in institutions such as NATO and the EU, activism and a proactive search for partners, promotion of the rule of international law and niche activities that allow a small country to make a difference (cited in Rynning 2003: 29–30). The Danish Prime Minister, Anders Fogh Rasmussen, clearly closing the chapter of Denmark's footnote policy, stated in 2003 that 'my Government wishes to depart from this tradition of reluctance. We feel we have a role to play and we wish to play it' (Rasmussen 2003: 198). The view was that, after 9/11, 'Denmark had direct enemies and needed to deploy and use military force to defeat them' (Ringsmose and Rynning 2008: 55). According to the multi-party 2004 defence agreement, Danish forces would focus on 'high-intensity operations', fighting wars rather than peacekeeping, and would be rapidly deployable. Conscription was to be phased out (Rasmussen 2005: 46). This line was followed by the centre-left government that came into power in 2011 and sent soldiers to Senegal and Mali to 'stand for international law and order as opposed to the anarchy of militant Islam' (Hækkerup 2013: 8).

Danish politicians embraced wide definitions of security after the Cold War. The Foreign Minister, Niels Helveg Petersen (1997: 273), differentiated between hard security – 'mainly the territorial defence against an outside aggressor' – and soft security, which encompassed the non-military, civic aspects of security, though he noted that soft security instruments were more effective when underpinned by a hard security framework (ibid.: 277). Denmark has developed a crisis management capability whereby the Danish Emergency Management Agency (DEMA) coordinates action. In a crisis abroad, the Ministry of Foreign Affairs, together with DEMA and the Ministry of Defence – which together make up Denmark's international alarm centre – decide on responses to requests for assistance (Ministry of Foreign Affairs of Denmark 2010: 13).

Nationally, legislation was introduced after the Asian tsunami to bring the fire and rescue authorities under the Ministry of Defence acting through DEMA (Danish Emergency Management Agency 2011a). National incidents that cannot be dealt with regionally are the concern of the National Operative staff (NOST),

chaired by the National Danish Police. Incidents of political importance can be dealt with by one or more of three organizations: the Government Security Committee, consisting of the Prime Minister and key ministers; the Senior Officials Security Committee, with the permanent secretaries of those ministries and the heads of the Defence Intelligence Service and the Security Intelligence Service; and the Crisis Management Group, made up of the under-secretaries of the above authorities together with the Defence Command Denmark, the National Danish Police and DEMA (Danish Emergency Management Agency 2011b). Among the tasks listed for the armed forces are civilian ones such as maritime and environmental surveillance, the fight against pollution, fisheries inspection, rescue services, ice-breaking and participation in emergency preparation (Forsvaret 2012).

Denmark's active security policy has shown that a small state can make a difference, especially within an alliance, but has also demonstrated the political and economic constraints on such extrovert policies.

Iceland

Iceland's security has developed in two stages since 1989: first, following the downfall of the Soviet Union, and then when US forces left Iceland in 2006. A new set of parallel uncertainties came with the economic downturn of 2008, which left Iceland particularly exposed.

In the immediate post-Cold War period, Iceland's main security task became the defence and control of Icelandic airspace – previously undertaken by the US – after the US military left the Keflavik air base in 2006. Other NATO states, such as Norway and France, have provided air patrols and ship visits on a rota basis, but this provides neither the size nor the consistency of the previous US force. An Icelandic Defence Agency established in 2008, took over some defence and security tasks; it operated Iceland's air defence system, prepared defence exercises, supervised host nation support and represented Iceland in NATO defence meetings. However, it was disbanded by 2010 with its activities being divided mainly between the Foreign Ministry, the Icelandic Coastguard and the Ministry of the Interior (Ministry for Foreign Affairs (Iceland) 2010).

Another issue was how Iceland might contribute to non-military aspects of international peace operations. From 1994, Iceland provided civilian personnel to UN operations in the Balkans and, in September 2001, established an Icelandic Crisis Response Unit (ICRU) consisting mainly of police, medical staff, lawyers and air traffic controllers. The latter deployed to Priština airport under NATO supervision from 2002 to 2004 and to Kabul International Airport until 2005. ICRU members were also engaged in missions in Iraq, Morocco, Turkey, Sri Lanka, Kosovo, Bosnia-Herzegovina and Algeria. Iceland worked mainly through NATO, the EU, the UN and the OSCE (Bailes and Thorhallsson 2006: 331–340).

The work of ICRU became controversial within Iceland, as some regarded it as becoming militarized (ibid.: 337). By 2009, a commission had undertaken a

risk assessment for Iceland after the departure of the US forces. It took 'a broad and inclusive definition of security, encompassing "new threats" posed by global/transnational, societal, and human factors' (Ministry for Foreign Affairs (Iceland) 2009: 1). It concentrated on three categories: national security and state-centred threats, societal and civil security threats that target 'social groups, identities, values and civil infrastructure' and 'globally-induced risks to individuals and society by transnational factors such as environmental disasters, pandemics, climate change, terrorism, human trafficking, and weapons of mass destruction' (ibid.: 1–2). Reporting after the full impact of the 2008 economic crash on Icelandic banks and society, the commission considered this had 'revealed the vulnerability of Icelandic society to a systemic breakdown' (ibid.: 3). It did not see a direct short or medium-term military threat, but saw long-term uncertainties with the increasing importance of the High North. It mentioned greater threats in pandemics, natural disasters and organized crime, and potential problems with the social exclusion of immigrants, the opening of new shipping routes and organized cyber-attacks (ibid.: 5–12). The commission made 25 recommendations, but governments have thus far not taken steps to develop them into an official security strategy and/or action programme.

Iceland is a typical small state that finds its security environment buffeted by outside events such as the US exodus from military bases and the global recession. Yet Icelandic policy on security matters has depended much on the outcome of internal political debate, and Iceland has shown itself willing to confront the IMF and the UK over 'Icesave'. A country used to natural disasters – on land and at sea – is well-placed to face the challenges that come under the broader definition of security, though its citizens' independence of mind may lead to continued disagreements over security policy and a rejection of EU membership.

Nordic challenges and responses

As a collective response to events in the Baltic region, the Nordic countries pressed the case of the Baltic States' membership of NATO and of the European Union. Denmark, in particular, helped to establish the Council of the Baltic Sea States with the help of Germany and the other Nordic states. Elsewhere, Norwegian, Finnish and Swedish troops contributed to a Nordic peacekeeping battalion in Macedonia in the mid-1990s.

Cooperation in practical security aspects became more institutionalized in the 2000s. The Nordic institutions started to discuss security, and Nordic ministers of defence met, claiming by 2005 that 'Nordic countries have had a comprehensive cooperation in defence and security policies' (Ministry of Defence, Finland, 2005). This consisted, *inter alia*, of NORDCAPS (the Nordic Coordinated Arrangement for Military Peace Support), NORDAC (Nordic Armaments Co-operation) and NORDSUP (the Nordic support structure), all of which were unified into NORDEFCO – Nordic Defence Co-operation – in December 2009 (Archer 2010: 46–48).

The Nordic and Baltic States have taken on a wide selection of 'soft security' tasks in the Baltic region, ranging from tackling cyber-attacks and reinforcing maritime accident response to common action on cross-border crime and mitigating the effects of climate change. From 2009, the five Nordic ministers responsible for civil emergencies have developed the so-called 'Haga' cooperation on community preparedness for withstanding and managing social crises (Regeringskansliet 2013). Institutions used include the EU, the Council for Baltic Sea States and Nordic organizations.

Practical security cooperation by the Nordic countries has become more possible and desirable in the post-Cold War period. The independent Stoltenberg Report on strengthening security cooperation among the Nordic states drew official responses from all the Nordic governments, broadly welcoming its ideas on potential cooperation in disaster response, maritime monitoring, air surveillance over Iceland and search and rescue in the Arctic region (Archer, 2010: 51). By April 2011, the five Nordic Foreign Ministers had agreed a common 'solidarity clause' guaranteeing mutual help for non-warlike threats and emergencies (Den nordiske solidaritetserklæringen 2011). The membership of all five states in the Arctic Council, and the opening up of the Arctic region, offer another opportunity for the Nordic states to define common interests. The five Nordic states, with Russia, the US and Canada, agreed a legally binding document on aeronautical and maritime search and rescue at an Arctic Council meeting in May 2011 (Arctic Council 2011) and another on cooperation on marine oil pollution preparedness and response at their 2013 Kiruna meeting (Arctic Council Secretariat 2013).

Why have the Nordic states not yet decided to have a common security system? While some of the weight of history has been washed away after 1989, differences remain in the states' deeper strategic cultures. They have developed very different behaviours and attitudes in terms of military doctrines, civil-military relations, procurement and grand strategy. Over the last decade there have been differences over how best to 'cause' security and what instruments to use. Denmark has considered its international position to be enhanced by participating in wars, including those in Afghanistan, Libya and Iraq, whereas Norway – despite its deployment in Afghanistan and Libya – has been seen as emphasising peace brokering in Indonesia, Sri Lanka and Sudan. Norway and Finland have emphasized security through defence of the homeland more than Sweden and Denmark. Since the 2009 economic downturn, Iceland has almost exclusively seen the causes of security/insecurity in economic and societal terms. Over the decades, the four armed countries have restructured their defences differently, with Denmark moving away from a volunteer army to a lighter, more mobile force than that in Finland. Furthermore, the European Union has had a differential effect on the strategies of the five states, partly because they have differing relations with the EU and partly because they have responded differently to what the EU has on offer.

An evaluation

The Nordic states are generally regarded as 'small states', though Sweden has had sizeable military strength and a large arms industry. Defining states as being 'small' in relational terms brings out the fact that Sweden and, to some extent Denmark, had a certain regional strength in the post-Cold War Baltic area.

During the Cold War period, all five states were 'small' in relation to the two superpowers and states such as the United Kingdom and Germany. The main understanding of security was in military-diplomatic terms, and the weighting given to states in the security field was primarily in terms of armaments, armed forces and, partly, diplomatic ability. The Cold War defined the security policies of the Nordic states, dividing them in terms of alliance. This partly constrained these small states, but also encouraged them to find shelter with larger allies against threats they could not manage alone. However, some space was left for individual and collective activity in the security field that was less compelling for the more powerful countries. Sweden could advance disarmament initiatives such as the Undén Plan. Finland hosted the Conference on Security and Cooperation in Europe and advanced ideas for a Nordic nuclear-weapon-free zone. Norway and Denmark instituted their non-nuclear 'base and ban' policies. Collectively, the Nordic states – whether consciously or not – promoted the area as one of low tension and also cooperated in the field of United Nations peacekeeping.

The end of the Cold War led to a radical change in the power calculations in the Nordic region. For some, especially Norway, the relative deliquescence of power in the North was not enough to free them totally from traditional military concerns. For Finland, the power vacuum in the East in the early 1990s was an opportunity for a strategic shift to join the European Union. Sweden also had an opportunity to act as a regional power and to be active with other Western powers in the wider world. Denmark saw the most radical change, with its active internationalism and its high alliance-loyalty in terms of the US, contrasting with its footnote-strewn reservations within NATO in the 1980s.

Understanding defence in wide terms was already common in the Cold War Nordic region, but the broadening out of the security concept since 1989 allowed the Nordic states a wider menu for choice than before. The Nordic states have been in the van of small states generally in emphasizing economic, resource-related, human and environmental security. Despite their size, they could play to relative strengths and could find niches outside the military field. In fields such as environmental policy, the treatment of refugees and the management of disasters, their comparative strengths showed. With the exception of Iceland, the Nordic economies demonstrated robustness in the face of economic perils from 2008 onwards. Icelandic society, with its high social cohesion, did survive some of the worst economic storms of the period, and while its centre-left government decided that the longer-term answer was to shelter within the EU, the successor centre-right government felt confident enough in 2013 to abandon this route.

The ending of Cold War constraints and the widening of the security concept provided extra opportunities for Nordic cooperation. Within the Baltic region, the Nordic countries individually and collectively shepherded the Baltic States in a Liberal Institutionalist direction. This emphasis on common values – liberal democratic ones plus elements of the Nordic social welfare society – as underpinning Nordic or national identities, was matched by practical cooperation in Nordic and other settings, but is occasionally at odds with working together in forums such as the EU. The Nordic states have continued to pick and choose the elements of European integration that suited them, though a commitment, once made, was whole-hearted. By the end of the 2000s, all Nordic states – or combinations of two or three of them – were cooperating on defence and security issues, especially at the practical level, leading to Stoltenberg's suggestion of more formalized coordination. This has further increased the relative importance of collective action by the states when meeting both their own and outside needs, though we are unlikely to witness a grand scheme similar to that of the 1948 Nordic Defence Union.

The five Nordic states – as small countries – still have unanswered security dilemmas. Their own power shrinks by the side of Russian or US military might. They are more evenly balanced when non-military security is being considered and when they act regionally, as in the Baltic Sea. Furthermore, they find their positions less at a disadvantage when dealing through international organizations, such as the Arctic Council, or using international law, as with the Law of the Sea. Nevertheless, there is still a residue of uneven power. For Iceland, there is the question of who patrols its airspace; for Norway, the issue of continued Russian military strength on its borders. Denmark has to decide whether to join an EU defence system and also how to manage the security implications of a Greenlandic and/or Faroese move to independence. For Finland, the conscription question arises. For both Sweden and Finland, the issue of full membership of NATO awaits. Even together, the Nordic area is still a small region of small states.

Does the Nordic example have anything to show other small states in their security policies? First, even the small Nordic states during the harshest years of the Cold War were not without choice: wise policies and national cohesion made a difference. Second, wider strategic differences can trump common cultural and political affinities. Third, the widening of the security agenda since the end of the Cold War has meant increased opportunities for small states. These can be effectively exploited when countries have a speciality (such as Iceland in the case of energy security) or are prepared to spend resources on creating a niche (such as Norway in environmental security). In these cases, values can be promoted and identities entrenched. Furthermore, the reflection outwards of domestic values – for example, the role of women in governance in all the Nordic states – provides an enduring source of strength. Finally, collective action can act as a force multiplier. Bringing together the small, like-minded Nordic states can produce effective action in areas such as peacekeeping or Swedish–Finnish cooperation on an amphibious unit. Calculations have to be made as to

how much autonomy to give up in decision-making in order to gain greater control through influence within joint arrangements. The experience of the Nordic states has been that, while each state has its red lines of autonomy, the gains from collective action are there to be collected.

Notes

1 In 2007, the then Minister of Defence said that 'the three main security challenges for Finland today are Russia, Russia, and Russia' (Häkämies 2007: 6).
2 Previously, the Social Liberals had supported the Social Democrat-led policy of entering reservations (footnotes) against NATO's nuclear policies.
3 The opt-outs obtained at the Edinburgh European Council meeting encouraged Danish voters to accept the Maastricht Treaty, which they had previously rejected in a referendum.

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7 Security concerns of the Baltic States in the twenty-first century

Mindaugas Jurkynas

Distrust and caution are the parents of security.
(Benjamin Franklin 1914)

Introduction

The security of the three small states of Lithuania, Latvia and Estonia (the Baltic States),[1] has, perhaps unsurprisingly, never been off the political agenda in these countries. Arguably, their membership in NATO and the EU since 2004 should have somewhat – at least, *de jure* – reduced their concerns; but it would be naïve to think that security issues ceased to be part of Baltic political discourse as a result. With the end of the Cold War, the theoretical conceptualization of security has broadened from the politico-military to other fields, embracing society, energy, the economy, cyber-space, the environment and other dimensions. As explained in Chapter 2, processes of globalization, Europeanization and others have blurred the line between domestic and foreign policies and thus between endogenous and exogenous aspects of security. The range of security worries in Lithuania, Latvia and Estonia has rapidly proliferated accordingly: issues of identity, emigration, interdependence, the integration of minorities and the like have entered into domestic debates on the state's duty to provide security and welfare and to foster the national culture and identity. Real-life events in the Baltics have also fuelled security concerns, including the broad-range cyber-attacks against Estonian cyber-space in 2007 and against Lithuania's major internet media outlets in 2013; disruptions of fossil fuel supplies to Lithuania since 2006; and the general status of the Baltics as an 'energy island', with few links to the rest of the European Union (EU). The disquieting Russian military exercises in 2009, which simulated the invasion of the Baltic States, not only underpinned the call for NATO to draw up contingency plans for the Baltic States' defence, but brought security narratives back into these countries' own academic and political discussions.

A well-worn joke circulates from time to time in diplomatic circles: the Baltic States are preoccupied only with three issues: Russia, Russia and … we forgot the third one – must be Russia. Those writing foreign audience-oriented speeches for high-ranking Baltic officials have a similarly limited menu to choose from,

including perceptions of state smallness, relations with neighbours in a sensitive North European geopolitical milieu and notorious historical legacies. Actual foreign policy statements made by Baltic politicians in recent years rest on three pillars: energy security, the EU's Eastern neighbourhood and Russia, and Europe–US relations. All are linked to post-Soviet states' relations with Russia and find echoes in present politics. For example, Lithuania's 2013 EU Presidency priorities focused on the EU's Eastern partnership, energy sustainability, EU external borders and the EU Baltic Sea Strategy.[2] In July of that year the Lithuanian President, Ms. Dalia Grybauskaitė, drew attention to Russia's increasing grip on the Eastern European states.[3] Estonia's President, Toomas Hendrik Ilves, similarly emphasizes the EU's financial stability and external borders, energy issues, the Eastern Partnership, the Baltic Sea Strategy and cyber-security as key security issues for small states.[4] The Latvian foreign ministry publicly cites defence and security as top priorities.[5] All these recurring issues reflect the way that living memories, smallness and relational insecurity, as well as geopolitical realities, circumscribe foreign and security policies in the Baltics: 'Old legacies continue to dog the states formerly under Soviet domination, whilst new opportunities may undermine the fragile sense of regional community' (Kirby 1999).

At the same time, in historical perspective, Lithuania, Latvia and Estonia may have never felt as secure as today. European and trans-Atlantic reunification, to use Bernard-Henri Lévy's term (2013),[6] have brought substantial institutional and operational security guarantees for member states' hard (strategic, military) and soft (energy-related, virtual, economic, environmental, etc.) security needs. Lithuania, Latvia and Estonia, in their successful quest to join the new West, were seeking historical justice and fulfilment of their socio-economic and hard security requirements; but they also embraced the Europeanization[7] of their political, legal and economic *modi operandi*, participation in collective decision-making, and the ability to upload national interests, values, norms and concerns into EU and NATO agendas (Jurkynas 2012a; Ozoliņa 2012; Veebel and Loik 2012). As noted, however, EU and NATO membership have not eliminated security concerns. The Baltic States still view their place in the West and relations with Russia in terms of existential politics (Mälksoo 2006). Baltic regional identities are largely framed by security concerns about Russia, Soviet legacies, and the experiences of post-Communist transformation (Jurkynas 2007).

Prior to the NATO and EU enlargements of 2004, Baltic States' security was an almost over-researched topic (Jurkynas 2007: 20), but attention has since dwindled. This chapter aims to discuss the most important and acute security challenges faced by the Baltic States after 2004, together with current or planned security solutions. Country size; power, identity and subsequent national interests; integration and cooperation; and the roles of the NATO and the EU will appear as key factors. The nations' main structures and procedures for security policy making will also be covered. Normatively, the Baltic case suggests certain lessons for the empirical aspects of security studies. The factors of size and related lack of concrete resources are shown to sharpen the Baltic States'

anxieties and to prompt them constantly to remind the EU and NATO of their concerns. Neighbourhood, history and identity, but also national size and power, do matter for the security of the Baltics today.

Security's relation to size, identity and relationships

Sustaining security, welfare and culture for its citizens is the first duty of a state, but is easier said than done. The demise of bipolarity in world politics at the end of the second millennium paved the way for the emergence of multi-polarity with the decline of US military and economic dominance, and also heralded a vast array of new security problems transcending both state borders and traditional, material capabilities. In the Baltic States, as elsewhere, issues such as the global economic crisis, emigration and integration of minorities, challenges of cyber-space, and participation in international efforts against terrorism and global warming have made their mark on debates about the costs, benefits and perspectives of security solutions.

The size of a country and its relative material power are far from being the only determinants of its identity, interests, capacities and subsequent domestic or foreign actions. Small states in a less troubled neighbourhood, like Luxembourg, may have fewer worries about hard security though they are no strangers to soft security concerns. Historical and geographical contexts are relevant, especially if they happen to define asymmetries between local powers and their legacies that remain vivid in living memories.

Baldur Thorhallsson (2006) has helped to guide the paradigm change from a Rationalist to a Reflectivist one in small state research. Rationalists, and Realists in particular, saw small states as by definition less able than large powers to protect their sovereignty and territories and to exercise choice in their international action. Thorhallsson argues, however, that traditional criteria such as population, territory, economic output and military strength should be complemented by considering factors of competence for action and vulnerability, and noting the relevance of a state's values, ideas, norms, perceptions and, not least, ambitions. A similar constructivist approach is endorsed in Chapter 1 of this volume, which stresses the importance – and variability – of relational aspects: a state may be smaller in particular relations than in others. However, the material consequences of smallness also affect constructed visions. A history of limited options and restraints on action in the shape of conflicts, wars, occupations and annexations can be ingrained in the mind-mapping and 'Othering' of political elites in smaller and weaker states, thereby constituting part of their identity.

Perceptual and preference sizes in the investigation of small states go hand-in-hand with regional identity studies. Collective identity is a self-perception based on commonalities of 'We' and differences from the 'Other'. 'We' refers to like-minded and similar countries, while the role of the 'Other' is linked with vulnerability, bitter memories, or both combined. States sharing the same vision of the 'Other' can more easily develop a vision of themselves as a regional community with a collective identity and potential for cooperation (Neumann 1994);

and such regional relations – as also argued in Chapter 2 – may be proportionally more important as a strategic solution for smaller than for larger states. Effective neighbourly cooperation can both change a country's (self-) image and palliate the effects of smallness (Jurkynas 2007). Small states may benefit both from joining larger cooperative formats like the EU – which offer shelter from diverse external challenges, though paradoxically also erode state sovereignty – and from allying with smaller like-minded groups (often starting with neighbours) within these large fora, to ensure their special interests are not ignored.

Autonomy? Neutrality? No – Western engagement!

Geopolitical and memory-related sensitivities have guided Baltic post-Communist policies in searching for enhanced security. The role of Russia has been crucial for the regional identity and very existence of the Baltic States. All three countries, like Finland, broke free from the Tsarist Empire at the end of, or after, World War I. A brief inter-war independence was nipped in the bud by Soviet annexation just before the outbreak of World War II. The fight for the re-establishment of Baltic statehood in 1990–1991 crystallized bitter memories of the three nations' 50-year long incorporation into the USSR. Behind the historic Baltic–Russian antipathy can be seen both a massive power asymmetry and an identity clash. Russia's national identity has been built on the victorious and expansive Soviet legacy, which is seen as a political chimera in Lithuania, Latvia and Estonia (Morozov 2004, 2009). Russia regarded the Baltics as the 'black sheep' in Europe, who had failed to meet European standards in fighting the Nazi heritage. For their part, the Baltic States have remained (consistently over eight years) among the top five countries considered most unfriendly towards Russia,[8] and Baltic media and political rhetoric is spiced with negative Russian images.[9] Even if direct Russian threats seem decreasingly relevant, Russia remains the main source of concern.[10] The Baltic case thus fits well with Ahto Lobjakas' (2012: 4) summation, whereby four factors – proximity, history, size/global reach and trade – are key determinants in virtually all European countries' modern-day relations with Russia.

With the rebirth of independence in 1990–1991, Lithuania, Latvia and Estonia set out to rid themselves of the Soviet legacy and the political, economic and cultural influence of Russia.[11] A break-out from the Soviet matrix and integration into Western institutional, economic and socio-political structures was the prescription for augmented security. Recognizing that the security of small states depends heavily on their cooperative engagements, in the 1990s the Baltic countries created or joined several dozens of regional and global collaborative organizations: among others the Baltic Council, the Council of Baltic Sea States, the United Nations and the Organization for Security and Cooperation in Europe, the European Bank for Reconstruction and Development, the Council of Europe, the World Trade Organization and, finally, the EU and NATO. In the process, Lithuania, Latvia and Estonia developed a well-institutionalized collaboration[12] among themselves and with the Nordic countries, which has persisted to the present.

Hard security was among the top priorities for the Baltics before their NATO entry in 2004. Baltic neutrality in the late 1930s had brought no safety – following the 1939 Ribbentrop–Molotov Pact, the Baltic States were invaded by both the Nazis and the Soviet troops. Naturally, Baltic policy makers noted this lesson when seeking NATO and EU membership, and also strong national support and sympathy from the US superpower, in the early 1990s.[13] The Western skies cleared after Soviet troops pulled out from Lithuania in 1993, and Estonia and Latvia in 1994. Baltic security hopes were pinned on growing self-defence capacities, integration into NATO and broader military cooperation. In 1994, the Baltic States joined the Partnership for Peace programme, which facilitated inter-Baltic and Baltic–Nordic military collaboration as well as preparation for NATO membership, talks on which started in 1997. All three states signed the US-Baltic Charter in 1998 and NATO Membership Action Plans in 1999, before entering NATO as part of its second post-Cold War expansion in 2004. NATO and the US did help to allay major Baltic military and strategic security concerns, especially with the new contingency plans approved in 2009.[14] As US President, George W. Bush put it in 2002, 'Our alliance has made a solemn pledge of protection, and anyone who would choose Lithuania as an enemy has also made an enemy of the United States'.[15]

The security guarantees provided by the EU are of a different kind. Despite the EU's manifest weaknesses in developing a common European defence, the joint decision-making framework grants soft security[16] and offers manifold opportunities for bottom-up Europeanization, thereby helping to offset 'smallness'[17] and lessen relational power asymmetries. The Baltic States' route towards the EU started in the early 1990s[18] and peaked at the end of 2002, when all three Baltic countries finally qualified for membership by meeting the Copenhagen criteria of democracy, market economy, rule of law, market strength and state ability to implement membership requirements.[19] Europeanization during the membership negotiations involved wide-ranging institutional and legal changes to meet EU standards, and the Baltic States went to great lengths to accelerate the required reforms; yet EU conditionality had its price too.[20] Following EU entry in 2004, benefits continued as economic growth increased substantially, living standards rose and so did the influx of foreign direct investment. People enjoyed the common market and free movement. At the same time, the outward migration of labour forces, social disparities and the lingering absence of energy security provided jarring notes.

With security in mind, the Baltic States set out to play their part in 'customizing' EU policies by importing national interests, as Finland had done before them, e.g. with the Northern Dimension Initiative of 1997 (Ojanen 1999). The Baltic States, with support from Northern and Central European partners, kept the EU alert to two chief issues: the Eastern neighbourhood and energy security. On the former, the Baltics saw themselves as exporting the model of successful post-Communist transformation to the EU's Eastern neighbourhood. Fostering democracy, human rights and the rule of law in the adjacent countries of Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine was seen as a way

to cushion the Baltics' own security while promoting a domino effect of European-style reforms that could spread not only to Eastern Europe, but too Russia itself. The Baltic States have accordingly been staunch supporters of the EU's Eastern Partnership programme, launched in 2009,[21] a posture that can also be seen as an example of Nordic-style norm entrepreneurship (Ingebritsen 2002). Well aware that their power, resources and action capacity lag well behind many larger EU states, Estonia, Latvia and Lithuania have sought a niche of 'specialization' as ex-USSR countries that have successfully transformed themselves into Western states – even if not yet the wealthiest. This makes the Baltic model 'sexier' in Eastern Partnership countries, and raises the Baltic profile of East European expertise in the EU. 'The more of the West in Eastern Europe, the less Russia' is a tacit motto that many Baltic policy makers subscribe to.

The energy security issues of Lithuania, Latvia and Estonia were also uploaded onto the EU agenda,[22] but membership did not bring immediate benefits in this sector. On the contrary, the Baltic States remain 'energy islands' that are heavily dependent on imports of electricity and fossil fuels from Russia. To boost their energy security, they seek diversification of energy imports and reliable local supplies. The EU has stepped into the picture by co-financing and politically supporting two trans-frontier electricity grids.[23] The NordBalt Link will connect the Baltic and the Nordic states via Lithuania and Sweden, and the LitPol Link will join the Baltics and the Western European Electricity System through Poland – both to be operational by the end of 2015. The EU also supports a regional liquefied natural gas terminal being built on the Baltic coast. Due to intra-Baltic disagreements, this project will most likely be developed closer to Finland, but Lithuania will also build its own terminal to be ready by 2014.

The Baltic States took an even higher profile in EU debates on the Nordstream, a gas pipeline connecting Russia and Germany along the bed of the Baltic Sea. While the project was given a green light by the EU, the Baltic States plus Poland were strongly opposed because of their own exclusion from it, its implications for energy dependence on Russia, and ecological concerns. When the EU decided to cap CO_2 emissions in the member states, to improve the efficiency of energy usage and increase the share of renewable energy, the Baltic States argued that such measures should not be allowed to damage the competitiveness of 'catching-up' economies and all EU states should equally share the burden of the emissions.

One soft security success for Lithuania, Latvia and Estonia – as EU members – was joining the Schengen Treaty in 2007. Accessing the Eurozone has been another key issue. Despite current Eurozone troubles, the Baltic States have seen the adoption of the euro as an economic benefit that would reduce transaction costs and display sound public finances, but also contribute to economic security. Estonian Prime Minister, Andrus Ansip, stated that 'the Euro predominantly means security'[24] and the Chairwoman of the Latvian Parliament, Solvita Āboltiņa, described the Euro as a strategic goal of Latvia and a symbol of security.[25] Estonia became the seventeenth Eurozone member state in 2011, Latvia is set to join in January 2014 and Lithuania plans to follow suit in 2015.

Despite emerging Eurosceptic trends in Greece, the Nordic countries, the Netherlands and France, the EU is not (yet) a polarizing issue in Baltic politics. Mainstream parties in the region, apart from Russian-minority-oriented politicians, back EU membership for various soft security reasons and as a way to help the Baltics amplify their relative power and welfare through engagement. There are, however, exceptions: for instance the EU's perceived moral liberalism on the rights of various minorities vexes socially conservative parties and voters, especially in Catholic Lithuania. If EU integration (and even more, globalization) is perceived as an attack on tradition and identity and does not increase security in the long run, the myth of a 'good Europe' in the Baltics might eventually be laid to rest.

Identity and neighbourhood: Russia and the Nordic states

The importance of regional identity for small states, especially in the era of globalization and growing interdependence, has been noted above. Lithuania, Latvia and Estonia have limited choices for regional affiliations, with four overlapping frameworks: their own trilateral relationship, the Baltic–Nordic (Baltoscandian), the post-Communist (Central and Eastern Europe), and the riparian Baltic Sea region. Constructivist, quantitative and qualitative analysis of regional identities in Lithuania, Latvia and Estonia reveals the dominance of a common Baltic identity and sense of fate, underlining that Soviet legacies have not lost their relevance yet (Jurkynas 2007). Miniotaitė (2003) argued that political identity in the Baltics is founded in an East–West opposition, and present-day discourse has not moved far from this, even though the level of securitization has dwindled (see speech by Grybauskaitė, *The Financial Times* 2013). As recently as 2007, an EU academic study described the Lithuanians as 'new Cold-warriors', while Estonia and Latvia were seen as 'frosty pragmatists' who never missed a chance to criticize Russia.[26] The image is reinforced by specific Baltic actions, such as Lithuania's efforts in 2012 to urge the European Commission into launching an anti-monopoly case against Russia's gas company, Gazprom, claiming that it bullied Central and Eastern Europe with unfairly high gas prices.

After the tri-Baltic cooperation that was so prominent during the EU/NATO accession phase, the Baltic States' next most prominent regional alignment has become the Nordic–Baltic one. This 'Baltoscandian' idea is powerfully promoted in the Baltic States for a reason. The Baltic States do not want to be seen as ex-Soviet Union or Eastern European countries associated with under-development, corruption and Russia's influence. The Nordic world, by contrast, excels in many areas and is attractive to many, including the Baltic States who see the Nordics as close cousins due to geography, similar security challenges, smallness and close links both in history and the present.[27] The Nordic countries were among the first to recognize the Baltics' re-established independence and generously assisted the Baltic resurrection in the early 1990s (Bergmann 2004). Leaders of the Nordic and Baltic EU member nations regularly hold NB6 meetings on the margins of EU summits; NB8 meetings with all five Nordics are organized annually; and the

inter-parliamentary bodies – the Nordic Council and Baltic Assembly – hold joint sessions too. The Baltics are the only shareholders along with the Nordic states in the Nordic Investment Bank, and Nordic investments provide the largest share of the stock in Lithuania, Latvia and Estonia. With the development of electricity grids like NordBalt, Estlink and the Estlink2, the Baltic countries will anchor themselves to the North European electric energy market, the Nordpool spot. Baltic leaders also emphasize affinities of sound public finance policy and political cooperation within the regular US-Nordic-Baltic E-PINE (Enhanced Partnership in Northern Europe) and nascent UK-Nordic-Baltic frameworks.

Yet the Nordic states, for their part, do not see the Baltics as an inherent part of the Nordic community (Norden). First of all, they have chosen different strategies of security management: Finland and Sweden remain outside NATO and Norway and Iceland outside the EU's soft security community. There is still a prosperity chasm between the fast-developing Baltic countries and their well-heeled Nordic neighbours.[28] The redistributive social-democratic welfare state model, part of the Nordic identity, has not taken root in the economically far more liberal Baltic States. Human rights including de facto minority rights, let alone corruption indices, in the Baltics are well behind the top-notch Nordic standards. The Baltic States are not consensus democracies and gender equality there is still on the rise. Further, the Balts are not such 'reluctant Europeans' as the Nordics and have not witnessed a similar emergence of Eurosceptic, anti-immigration and xenophobic parties. Finally, Lithuania, Latvia and Estonia, despite being good examples of Europeanization in general, still tend to think of security in very 'modern' terms when they worry about sovereignty, security and borders.[29]

Despite such differences, the Baltic and Nordic countries are intensifying levels of cooperation and region-building in many areas. The Nordics' role in Baltic military security has been patchy: they have supported the Baltic march to the West and have provided aid for civil society, rebuilding democratic and military structures, yet Nordic security guarantees have been out of the question, above all because of Finnish and Swedish non-alignment policies. The Nordic states have often been wary about the Baltic proclivity to lambast Russia's belligerence. Nonetheless, new initiatives for closer Nordic–Baltic collaboration have surfaced recently: the Birkavs–Gade report of 2010 produced a series of recommendations for intra-regional collaboration, starting with foreign policy dialogue and defence cooperation, and ending with the NB8 brand.[30] The first Lithuanian head of state, Vytautas Landsbergis, was perhaps too optimistic when stating in 2011[31] that for all their differences, the Nordic and Baltic States constitute a spiritual community. Yet Nordic–Baltic region-building and the gradual pooling of resources is accelerating[32] and is important in avoiding marginalization for both these sets of small states.

New security challenges for the Baltic States

Being small and not disguising this fact, Lithuania, Latvia and Estonia are unlikely to forget the regional realities that made them seek strategic shelter in

the EU and the NATO. Electoral turnovers in Lithuania, Latvia and Estonia have not altered hard security attitudes among political elites. While policy rifts may appear on socio-economic or even environmental issues, Baltic governments have not faltered in their determination to strengthen their military capacities, cooperation and interdependence within the NATO and EU structures. Even if feeling better protected than ever before, the Baltic States have neither become freed from anxiety nor turned into free riders. Today, small states are expected to contribute to international security responsibilities, and Lithuania, Latvia and Estonia have actively engaged in US/NATO-led international operations. Baltic inputs to the missions in Iraq and Afghanistan signalled a readiness to support wider security interests but were also calculated to earn US and NATO favour in the interests of the countries' own security. At the same time and on parallel reasoning, all three states have contributed extensively to the EU's 'softer', civilian-manned missions.

At the rebirth of independence, Baltic security dilemmas were rather similar and embraced the protection of territorial integrity and society. Since then, national security strategies and concepts have identified multiplying security concerns. As these documents[33] show, Baltic security horizons have broadened to include not only defence and foreign policy, but also economic, ecological, crisis management, energy and cyber security, information technology and other facets (Kaljurand *et al*. 2012).

Economic security is a complex issue, ranging from macro-economic vulnerability to micro-economic sustainability (Briguglio *et al.* 2006). Being small, open, export-oriented and competitive economies, the Baltic States are vulnerable and cannot hope to dictate external trends. Those now in the Eurozone, like Estonia, must share common currency-related troubles. Facing challenges of this nature requires either leftist or rightist political solutions: pundits disagree on whether austerity-driven or Keynesian policies suit best for an economic crisis management. Earlier, the Baltic States were called economic tigers due to their fast economic growth.[34] The economic crisis in 2009–2010 hit hard on the Baltic economies, whose outputs shrank by around 20 per cent in two years. The Latvian and Lithuanian budgets shrivelled and public debts soared; only Estonia managed to absorb external shocks by having accumulated financial reserves (Veebel and Loik 2012). Socially regressive austerity measures, cutting budget deficits, heavy international borrowing and internal devaluation put the Baltics back on the track of recovery and, by 2012, had made them again the fastest growing economies in the EU. However, economic hardship hit all public spending, including military expenditure, which fell to levels ranging from 1 per cent of GDP in Latvia and Lithuania to 1.7 per cent in Estonia.[35] From a social point of view, social disparities and income inequalities – reflected in the Gini coefficient[36] – and relatively high levels of poverty remain among the gravest political problems to be solved. Government programmes in the Baltics are unequivocal about steering economies towards growth and job creation. The right-of-centre Estonian and the Latvian cabinets rely more on market economy and prudent spending, whereas the Lithuanian left-of-centre government is more open to

increasing the role of the public sector, especially in fighting unemployment. The logic of security via participation and membership has been applied in the economic dimension as well: Estonia joined the OECD in 2010, the OECD decided to start membership talks with Latvia in 2013, and has signalled its readiness to do likewise with Lithuania pretty soon.[37]

The lack of sustainable and diversified energy supplies affects not only Baltic security and political vulnerability but the competitiveness of small Baltic economies and social life.[38] Due to an abundance of shale oil, Estonia's energy dependency on foreign sources is the lowest in the Baltics, with barely 21.2 per cent of energy needs[39] (Kaljurand *et al*. 2012), whereas Lithuania and Latvia import almost 100 per cent of their oil[40] and gas from Russia,[41] and 60 per cent of Lithuanian electricity needs come from their big neighbour (Jurkynas 2012b). Given EU plans for 'green' economies with increased energy efficiency, shares of renewable sources of energy and reduced usage of fossil fuels by 2020, the Baltic States have started considering different options to enhance their energy security. Lithuania, Latvia and Estonia have been considering the joint construction of a new nuclear power plant in Lithuania for nearly a decade.[42] However, Lithuanian governments have dragged their feet as political parties disagree on the project, while Russian and Belorussian plans (or bluffs) to construct their own nuclear power plants raise questions about the Lithuanian idea's commercial viability. Moreover, a 2012 consultative referendum in Lithuania rejected a nuclear project. As of 2013, the Lithuanian government is leaving the initiative to regional partners and strategic investors, while Poland and Estonia do not rule out developing their own nuclear power plants. Although politicians reiterate that energy issues are market- and company-driven, in practice such projects do not proceed without a political will; and that is currently lacking. Coordination of energy security matters in the Baltics is also problematic as the energy sector is divided according to sources, e.g. nuclear energy, with different bodies taking responsibility for each sub-sector.[43]

Cyber-space has recently found its place in security considerations worldwide. A fast-growing reliance on e-communication, the internet, tablets and smart-phones makes people's lives inseparable from various e-services and thus vulnerable to their malfunction or absence. The malicious e-worm, Stuxnet, in 2010 and glitches experienced by BlackBerry in 2012, illustrate the problems of security and operability. Cyber-space can become a zone of information warfare, espionage or electronic attack. Being IT-adept, among the top countries in terms of the numbers of e-communication users and with correspondingly developed infrastructures, Lithuania, Latvia and Estonia have already encountered security challenges in this field. A number of public and commercial services are being uploaded into cloud computing, thus becoming targets for malevolent activities. Estonia fell victim to a well-orchestrated cyber-attack in 2007, after the authorities decided to remove a commemorative statue for fallen Soviet troops, the 'Bronze Soldier', from the city centre. Many believed Russia stood behind those attacks. Events in Estonia catalyzed the country's specialization in cyber-security in much the same way as Lithuania found a niche in energy security.[44] Estonia

has hosted the NATO Cooperative Cyber Defence Centre of Excellence since 2008.[45] Lithuania, responding to attacks on electronic media in 2013, has established a consultative Cybersecurity Council under the Ministry of the Interior.[46] Since 2011, Latvia has had an Information Technology Security Incident Response Institution, initially under the Ministry of Defence and, since 2012, under the Ministry of Transportation.[47]

Societal issues, among others, offer perhaps no less significant security challenges. As explained in Chapter 4, societal security aims to maintain well-functioning foundations for a society free of violent, non-military calamities ranging from terrorism and crime to natural and man-made disasters and infrastructure disruptions. Non-state actors, such as NGOs and voluntary associations, play significant roles. Identity is a further important aspect of societal security that deserves special attention in the Baltic case. During the post-Communist transition, a key focus was 'nation- and state-building', but 'society-building' might have been a more appropriate term. Consolidation of the societal fabric was among the most acute issues, especially in Estonia and Latvia where large Russian-speaking minorities – a legacy of colonization during the Soviet years – make up nearly one-third of the aggregate population. This enables Russia to adopt a 'compatriots abroad' policy and to highlight ostensible 'human rights violations' of Russian speakers. At times, ethnic tensions can catch wider attention as with the violent street riots by Estonian Russians, not without instigation from Moscow, over removal of the aforementioned war monument in 2007. Russia sponsors different interest groups in the Baltic States, such as the *Russkiy Mir Foundation* and *Russkiy Dom* network, and promotes political parties sharing Russia's political views, such as the Harmony Centre in Latvia and Centre Party in Estonia. Quite a few Baltic politicians perceive this as a Russian tool to interfere in Baltic national politics. Latvian Russian minority rights have similarly been defended by Moscow: preparations for a referendum on introducing Russian as the second official state language were mostly understood as a clear Russian bid to increase influence in Latvia by electorally mobilizing Russian speakers (Bukovskis 2012). Moscow's blatant reactions to commemorative marches by Latvian war veterans, who fought against the Soviets, further illustrate the scope both for interpretative disagreements on recent history, and for a clash of identities between small states and the regional power.

Security governance involves the conceptualization of security threats at the political level and the preventive or reactive implementation of security policies. In the Baltics, institutions dealing with new security threats have most often been created in reaction to externally triggered events, as with cyber-attacks or disruptions of energy supplies. Security management in the Baltic States can be broadly divided into hard and soft security. The primary issues of military and strategic security draw constant high political attention[48] and are frequently discussed and coordinated by the Presidents, government leaders and/or responsible, usually Defence and Foreign, Ministries. Respective parliamentary committees and national security bodies are also active. In all three states, centralization of security governance is clearest in hard security, while soft security

governance is more decentralized across different governmental bodies and even public–private partnership arrangements, especially in the area of information technology. Nevertheless, increasing awareness of new types of trans-border threats is attracting more thorough political scrutiny and coordination, with the government increasingly becoming the highest security governance authority that integrates information, adopts decisions and deploys resources. On the other hand, governments still rely on a relatively high number of different institutions to supervise different security challenges.

Conclusions

Lithuania, Latvia and Estonia constitute an interesting case in the context of small state security. They show how the 'post-traumatic stress disorder' of nations – once occupied, annexed and rather recently independent – seeps into identity and drives the search for security against a former ruling power and its legacies. The review of Baltic security challenges and responses confirms that Lithuanian, Latvian and Estonian policy makers tend to base their security assessments on a well-established, 'anti-Russia' habit as part of their identity. While the Baltic States have made considerable efforts to become part of the West, little has changed in Baltic security considerations following membership of NATO and the EU. Soviet legacies and Russia's neighbourhood may at times lead to over-generalizations about the 'big neighbour'; yet recent experience of incidents in the fields of energy and cyber-security (among others) keeps Russia on the Baltic political mind. Both traditional 'hard' and new, post-Cold War 'soft' security concerns have nudged the Baltic States towards more regional integration, primarily within the EU and NATO – even though these qualify the much-cherished sovereignty regained after the collapse of the USSR. Seeking a strategic shelter was the primary *raison d'être* for the Western integration that has increased the Baltics' security, making them part of decision-making coalitions and uploading Baltic concerns onto the agendas of political organizations.

Aside from NATO's contingency Baltic defence plans and active military cooperation, the introduction of the euro, diversification of energy imports, deeper involvement in EU external actions and avoidance of a two-speed Europe are among top Baltic security priorities today. Identity and security concerns, among others, remain important variables driving Lithuanian, Latvian and Estonian choices within the EU. Calls for Europeanization of the EU's Eastern neighbours and enhanced energy security for the Baltics, let alone specific tensions with Russia and the integration of national minorities, are generated not least by identity constructions and living memories in the Baltic region. Smallness appears as a factor, as one might expect, yet is not particularly dominant. Especially within the EU, the Baltics' activism and regional cooperation, notably with the Nordic states, allows them to partly escape their smallness in terms of a traditional understanding of power and resources. The EU forum has served Lithuania, Latvia and Estonia well in dispelling power asymmetries, especially vis-à-vis Russia. The small Baltic States so far fall among the chief enthusiasts

for Westernization and Europeanization, which, directly or indirectly, have enhanced their security and welfare. Mushrooming security challenges like international terrorism, nuclear safety, or energy, environmental and cyber-security issues, have called for new responses, new evaluations and corresponding policies. The Baltic States have responded by adopting new national security strategies and concepts within the last three years. The pattern of security governance, however, remains complex: all Baltic States know the drill when it comes to hard security issues, while the management of soft security problems remains dispersed within government.

The analysis of the Baltic case poses an interesting, but probably unanswerable, question about small state security: What if the recent history of these states had been far less painful and without Soviet legacies? Perhaps the Baltic identity would be less imbued with victimization, and in the absence of identity clashes, relations with Russia would be seen in a light of desecuritization. As things stand, living next to the assertive regional power has taught these small states to accommodate their national identity and even sovereignty to Western values and institutions, and to elaborate different modes of cooperative engagement and contribution.

Notes

1 The total population of the Baltic States is barely over six million people and the territory of the largest country, Lithuania, is just 65,302 km^2.
2 Nutarimas dėl Lietuvos Respublikos Pirmininkavimo ES Tarybai 2013 m., Lithuanian Parliament, available online at: www3.lrs.lt/pls/inter3/dokpaieska.showdoc_l?p_id=410980&p_query=&p_tr2=2 (accessed 10 July 2013).
3 'Lithuania's President Warns of Russia's Rising Influence in the East', *Financial Times* 2 July 2013, available online at: www.ft.com/cms/s/0/4eb04500-e32b-11e2-bd87–00144feabdc0.html#axzz2Y4HMQggO (accessed 15 July 2013).
4 President Toomas Hendrik Ilves at the State Dinner in Vilnius, 27 May 2013, available online at: www.President.ee/en/official-duties/speeches/9092-President-toomas-hendrik-ilves-at-the-state-dinner-in-vilnius-27-may-2013/index.html (accessed 15 July 2013).
5 Speech by the Minister of Foreign Affairs of the Republic of Latvia, Mr. Edgars Rinkēvičs at the Foreign Policy Debate in the Saeima, 24 January 2013, available online at: www.mfa.gov.lv/en/news/speeches/2013/24–3/ (accessed 19 July 2013).
6 Bernard-Henri Lévy: 'I Don't Care Much about my Image', *Financial Times* 14 June 2013, available online at: www.ft.com/cms/s/2/080ad66c-d2ee-11e2-aac2–00144feab7de.html#axzz2Y4wkKUS1 (accessed 20 July 2013).
7 Europeanization is a process of cultural, political and organizational change along European lines, within and beyond the borders of Europe. It has top-down ('download' of EU norms and practices), bottom-up ('upload' of member states' interests) and horizontal (sharing good practices and learning) vectors (Flockhart 2006: 86).
8 Внешнеполитические враги и друзья России, Levada Center, 18 June 2013, The Levada Institute, available online at: www.levada.ru/18–06–2013/vneshne politicheskie-vragi-i-druzya-rossii (accessed 15 July 2013).
9 These include Russia's embargoes of energy and food products for a number of countries (Lithuania, Georgia, Moldova, Ukraine, etc.), the 2007 cyber-attacks against Estonia, the 2008 war with Georgia, Alexander Litvinenko's and Anna Politkovskaya's homicides, control of the media, rigged elections, violation of human rights, the destruction, persecution and intimidation of political opponents and businessmen

(e.g. the cases of Mikhail Khodorkovsky, Pussy Riot, Sergey Magnitsky and Alexei Navalny), revisionist history broadcasts on the Russia's First Baltic Channel and military exercises in the Baltic neighbourhood.

10 According to opinion polls of October 2012, 60 per cent of Lithuanian respondents see no threats to the state, whereas 18 per cent name Russia and 1.7 per cent identify Poland as the main sources of threats. 'Apklausa: realių grėsmių Lietuvai nėra, o jei bus – mus apgins NATO?', *Delfi Internet Portal*, available online at: www.delfi.lt/news/daily/lithuania/apklausa-realiu-gresmiu-lietuvai-nera-o-jei-bus-mus-apgins-nato.d?id=60063003 (accessed 10 July 2013).

11 'The Lithuanian Constitution Adopted in 1992 Promulgates a Ban on Joining "post-Soviet Eastern Unions" ', Lietuvos Respublikos Konstitucija, available online at: www3.lrs.lt/home/Konstitucija/Konstitucija.htm (accessed 20 July 2013).

12 The Baltic Assembly and the Baltic Council of Ministers served as fora for inter-parliamentary and intergovernmental cooperation.

13 For instance, Lithuanian mainstream political parties decided for NATO membership in October 1993. See 'Lietuvos Respublikos politinių partijų kreipimasis dėl Lietuvos Respublikos integravimosi į NATO', Lithuanian Parliament, available online at: www3.lrs.lt/pls/inter/w5_show?p_r=5042&p_d=62154&p_k=1 (accessed 10 July 2013).

14 The Baltic States benefit from a NATO air policing mission guarding their airspace.

15 'Bush Makes a Perilous NATO Pledge', CATO Institute, available online at: www.cato.org/publications/commentary/bush-makes-perilous-nato-pledge (accessed 25 July 2013). For an account of the ongoing US security interest in the Baltic States, see Michel (2011).

16 EU voting rules, as amended by the Lisbon Treaty, require large coalitions of member states to achieve a qualified majority and this is next to impossible to achieve without small states' votes.

17 For example, Lithuania's GDP amounts approximately 0.14 per cent of total EU GDP, and the Lithuanian share of total EU population is barely 0.71 per cent, but the country exercises 2.03 per cent of votes in the Council and provides 1.63 per cent of European MPs and 3.7 per cent of EU Commissioners, auditors and judges.

18 The European Community and the Baltic States signed agreements on Trade and Commercial and Economic Co-operation, then included Lithuania, Latvia and Estonia in the PHARE programme rather TACIS, which focused on ex-USSR countries. Free Trade Agreements with the EU were concluded in 1994 and Association Agreements in 1995. Estonia started membership negotiations in 1997, and Lithuania and Latvia initiated them two years later.

19 Citizens in Lithuania, Latvia and Estonia unequivocally endorsed EU membership for their respective countries in referenda in 2003.

20 For example, to comply with EU Accession Treaty requirements, in 2009 Lithuania decommissioned the Ignalina nuclear power facility, which satisfied around 70 per cent of the country's electricity needs.

21 Lithuania set the aim of signing an EU–Ukraine Association Agreement at the November 2013 Eastern Partnership Summit in Vilnius, during its EU Presidency. Lithuania supports visa liberalization and better mutual trade arrangements as ways to stimulate progress towards democracy and rule of law in Ukraine, and to reduce Russia's influence in the core nation of the Eastern Partnership.

22 See Maigre (2010) on Baltic over-dependence for energy on Russia and Tarus and Crandall (2012) on Russia's continuing threat to Estonia.

23 See https://ec.europa.eu/digital-agenda/en/connecting-europe-facility (accessed 25 July 2013).

24 'Prime Minister: Euro is Matter of Security for Estonia', 1 January 2011, available online at: www.vm.ee/?q=node/10524 (accessed 15 July 2013).

25 'Saeima Speaker: Euro is a Symbol of Security and Stability', 18 January 2013, available online at: www.baltic-course.com/eng/analytics/?doc=68927 (accessed 19 July 2013).

26 'A Power Audit of EU 27-Russia Relations', European Council on Foreign Relations, 7 November 2007, available online at: www.ecfr.eu/content/entry/commentary_pr_russia_power_audit/ (accessed 19 July 2013).
27 The Baltic and Nordic states hold no mutual grudges from history, which is rather rare in neighbourly relations. Perhaps, in the medium term, the Baltic States could gradually be engulfed into the Deutschian (1957) notion of the Nordic security community.
28 According to Eurostat, in 2012 the 'richest' Baltic state, Lithuania, reached 70 per cent of the EU27's average GDP, whereas the 'poorest' Nordic state, Iceland, had 112 per cent of the EU average. Eurostat, GDP per capita in PPS (Purchasing Power Standards), available online at: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00114 (accessed 29 August 2013).
29 Margarita Šešelgytė (2012) similarly concludes that Lithuanian security policy prefers a modern to post-modern understanding of security.
30 'The NB8 Wise Men Report', August 2010, available online at: www.utanrikisraduneyti.is/media/Skyrslur/NB8-Wise-Men-Report.pdf (accessed 29 August 2013).
31 At the conference 'Twenty Years to Lithuanian-Norwegian Diplomatic Relations', Vilnius, March 2011.
32 E.g. The Baltic and Nordic countries agreed to host each others' diplomats in a case of need, while Latvia and Lithuania are about to follow Estonia in joining the EU's Swedish-led Nordic Battle Group in 2015.
33 All three Baltic States recently updated their security agendas: Estonia adopted a new National Security Concept in 2010, Latvia's Parliament issued a new National Security Concept in 2011 and a new State Defence Concept in May 2012, and a new Lithuanian National Security Strategy was approved in June 2012 (Kaljurand *et al.* 2012: 36–41).
34 In 2002–2007, the Estonian GDP per capita in PPS grew from 50 to 70 per cent of the EU average, while the other Baltic States achieved similar growth.
35 'Military Expenditure (as a Percentage of GDP)', The World Bank, available online at: http://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS?order=wbapi_data_value_2011+wbapi_data_value+wbapi_data_value-last&sort=asc (accessed 15 July 2013).
36 Gini index, The World Bank, available HTTP: http://data.worldbank.org/indicator/SI.POV.GINI (accessed 15 July 2013).
37 'Global OECD Boosted by Decision to Open Membership Talks with Colombia and Latvia with More to Follow', The OECD, available online at: www.oecd.org/newsroom/global-oecd-boosted-by-decision-to-open-membership-talks-with-colombia-and-latvia-with-more-to-follow.htm (accessed 15 July 2013).
38 The cost of heating households rocketed due to high Russian gas prices and lack of alternatives to gas heating. Public discontent with the whole situation is tangible.
39 About 60 per cent of Estonia's domestic energy production comes from oil shale. It is about to be to substantially reduced due to the EU Climate and Energy Package (Maigre 2010).
40 Lithuania faced a Russian blockade of oil exports via Druzhba pipeline after 2006, when it chose to sell the oil refinery Mažeikių nafta to a Polish company –PKN Orlen – instead of a Russian one. Nevertheless, imports of crude oil come through a sea terminal – though with a lower profit margin for the Polish importer.
41 Maigre (2010: 13) claims that 'direct and indirect Russian presence in the Latvian energy sector could lead to a so-called "Gazpromisation" of the Latvian political elite'.
42 Poland joined the project in 2009, but due to delays pulled out two years later.
43 Interview with Associate Professor, Dr. Arūnas Molis, Head of Strategic Analysis and Research Division at the NATO Energy Security Excellence Centre, 29 June 2013.
44 Demonstrated by NATO's sponsorship of the Energy Security Excellence Centre in Vilnius.

45 In Estonia, however, cyber-security, and also energy security, governance remains decentralized among several ministries. Interview with Professor Andreas Kasekamp, Director of the Estonian Foreign Policy Institute, 7 June 2013.
46 The Council is mandated to monitor cyber-security in the country and provide expertise for the Commission on Coordination of Cybersecurity, established in 2006: but there are still five or six different institutions dealing with information security including the Information Society Development Committee under the Ministry of Transport, and a Communication and Computer Emergency Response Team established under the independent Communication Regulation Authority.
47 Since 2012, Latvia has paid more attention to cyber-security issues through the Parliamentary National Security Committee (Baltic News Network, online at: http://bnn-news.com/national-security-committee-focus-cyber-security-75918, accessed 20 June 2013). However, Latvian cyber-security and energy security governance is dispersed between the ministries of foreign affairs and economy, though leadership would be centralized ad hoc in case of emergency. Interview with Andris Sprūds, Director of the Latvian Institute of International Affairs, 17 June 2013.
48 The Lithuanian President, for instance, in case of emergency or important security issues, convenes a State Defence Council of high-ranking officials, such as the Prime Minister, Ministers of Defence and Foreign Affairs, Supreme Commander of Armed Forces, Head of Security Department and the like.

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8 Security challenges in the Western Balkans

Building 'soft' security after conflict

Višnja Samardžija and Senada Šelo Šabić

Introduction

The region of the Western Balkans (WB) includes seven countries: Albania, Bosnia and Herzegovina (BiH), Croatia, Macedonia,[1] Kosovo, Montenegro and Serbia – together corresponding to the former Yugoslavia minus Slovenia and plus Albania.[2] Currently crossing the European Union (EU) threshold,[3] Croatia is in a somewhat different position from other WB states in terms of the security challenges discussed in this chapter. It has carried out a series of deep-reaching reforms that completed the state-building process, strengthened democracy and addressed most of the security problems still permeating this region to different degrees. However, once in the EU Croatia is not able (or willing) simply to leave regional issues, including security ones, to the remaining Western Balkan States. The EU expects Croatia to be an anchor of stability in this region, and, also, to serve partially as a role model for its neighbours: a model of how stabilization and successful accession to the EU are achieved. However, there are challenges in the Western Balkans that are not easily solved, and for which stabilization and EU accession may not provide such conclusive answers as they seem to have done for Croatia. This chapter will review the situation of all seven states mentioned – including Croatia's interrelationships with the others – and the security agenda for the region as a whole.

Chapter I of this book proposed using the 'small state' concept *inter alia* as a 'focusing device' to assess asymmetric power relations (cf. Thorhallsson and Wivel 2006: 4, Wivel 2005). All Western Balkan (WB) States are small states by this relativist definition, being the weaker party in a broader power relationship. This is true of them all in a global or Europe-wide context, even if within the region some states are bigger than the others and thus relatively more powerful.

Comparing the Western Balkan States

In terms of the size of population and territory, GDP and military expenditure, the WB States are *relatively* small in the European context. The smallest, Montenegro, with less than 700,000 inhabitants, could be considered a micro-state, while the largest, Serbia, with a population of slightly more than 7,000,000, is still a small

state by the criteria used in this book. In total, seven states of the WB region have some 23 million inhabitants, which is less than 5 per cent of the total current EU population. Further, the GDP sizes (at real market prices) of these countries suggest that all of them could also be considered small economies.

As explained, all WB countries except Albania became independent through the staged dissolution of the former Yugoslavian state during the 1990s, and subsequently,[4] and thus started their state-building process within the last two decades. Kosovo is the youngest state and its process of international recognition has not been yet completed.[5] The countries have reached different levels of democratic development; some are still facing problems of statehood and fragility of state institutions, while identity issues, ethnic conflicts, organized crime, corruption, open border issues and conflict-related threats still generate instability in the entire region.

Croatia has completed the state-building process, has functioning democratic institutions, has strengthened the rule of law and made huge transformations in the area of justice and fundamental rights. But it faces economic problems, including a prolonged recession that severely impacts upon the progress achieved in the last decade, and will do so further if the recession and negative growth rates persist. Montenegro is stable enough to be currently considered the only regional candidate close to EU entry, but the ongoing problems of fighting corruption and strengthening the rule of law undermine its state capacities. Each other state in the region is challenged on at least one fundamental issue that weakens the very basics of its statehood.[6]

In the last two decades the whole WB region has faced military conflicts and/or other types of state destabilization. The capacity of these countries to handle different types of threats, both from the national and the regional security point of view, will be assessed in this chapter.

According to the SIPRI military expenditure database (2010),[7] the global average level of expenditure for military purposes as a proportion of GDP is 2.5 per cent, while among the highest spenders in the EU are the United Kingdom (2.6 per cent) and France (2.3 per cent). Among WB countries, the highest shares directed to military purposes are in Serbia (2.2 per cent), Macedonia (1.4 per cent) and Croatia (1.7 per cent), which suggests that these states do not over-emphasize military threats. This finding seems to match the general expectations of citizens of the region regarding the potential risk of military conflicts. According to the Gallup Monitor (2010), the majority of respondents in Croatia (88 per cent) and in Serbia (62 per cent) do not anticipate another armed conflict in the region, while positive expectations of a peaceful future are expressed by 49 per cent of respondents in BiH.[8]

The countries of the WB region represent quite a heterogeneous group in terms of progress in democratization and economic development (Table 8.1). The goal of accession to the EU is the common denominator for the region and provides the greatest incentive for implementing broad political, economic and social reforms. Membership in the EU has been seen as a solution for almost all regional ailments and thus represents the most important leverage and potential role exercised by an external actor in the region.

Table 8.1 Selected Western Balkan basic indicators

Country	*Area (km²) (sources 1 and 3)*	*Population (1 and 3)*	*Real GDP growth rates, 2010 (% change over previous year) (2)*	*GDP at current market prices, 2009 (million euro) (2)*	*GDP per capita (PPS, EU 27 = 100, 2010) (2)*	*Military expenditure as % of GDP, 2010 (4)*
EU 27 average			2.0	11,752	100	–
Albania	28,748	3,002,859	3.5	8,716	28	1.6
Bosnia and Herzegovina	51,197	3,879,296	0.8	12,297	31	1.2
Croatia	56,594	4,480,043	–1.0	45,669	59	1.7
Kosovo	10,887	1,836,529	3.9	–	–	–
Macedonia	25,713	2,082,370	1.8	6,677	36	1.4
Montenegro	13,812	657,394	2.5	2,981	41	1.9
Serbia	77,474	7,276,604	1.0	28,883	35	2.2

Sources: (1) *CIA World Factbook*, available online at: www.cia.gov/library/publications/the-world-factbook/ (accessed 25 November 2012); (2) Eurostat, European Commission, *Pocketbook on the enlargement countries*, 2012 edition; (3) Eurostat, European Commission. Tables, graphs and maps; (4) SIPRI military expenditure database, available online at: www.sipri.org/databases/milex/milex (accessed 25 November 2012).

Demography is important for every state, even more so for a small state. Since 2000, demographic trends in all WB countries show a slowing-down of population growth. Albania, Macedonia and Bosnia and Herzegovina retain positive, but significantly reduced, growth rates, while Croatia, Montenegro and Serbia recorded negative rates. Kosovo is not included in the statistics (see Table 8.2).[9] The size of economies, population and territories, coupled with democratic and market transitions and a post-conflict environment, creates different kinds of 'soft' security challenges that states in the region are confronting individually, through regional cooperation, and with the assistance of external actors – primarily the EU, NATO, the US and some other recent players in the region, like Russia and Turkey.

The most important security changes faced by Western Balkan small states

Hard security vs. soft security threats

Security in the wider sense includes military security plus political, economic, social and environmental security (Buzan 1991: 19–20). If 'hard' security is understood as military security, 'soft' security includes political, social, and economic threats to a state (Moustakis 2003: 6). Some authors (e.g. Rincon *et al.* 2006: 4) extend 'soft' challenges to cover extreme poverty, disparity among societies, infectious diseases, inter-ethnic conflicts, illegal immigration, international organized crime, corruption and trafficking of human beings. Together these definitions include most of the threats that weak states face today.

In the process of WB post-conflict stabilization and moves towards Euro-Atlantic integration, foreign actors in the region have offered some shelter against both classes of threats. NATO focuses primarily on hard, i.e. military, issues, while soft security issues are mostly tackled by the European Union in the framework of the accession process. Since the 1990s, military threats to Western Balkan countries have been replaced by threats stemming from trans-border organized crime, corruption, human and drug trafficking, emigration,

Table 8.2 Population growth rate (%) in Western Balkan countries

Country	*2002*	*2003*	*2004*	*2009*	*2010*	*2011*	*2012*
Croatia	1.12	0.31	–0.02	–0.05	–0.06	–0.08	–0.09
Serbia	–	–	–	–0.47	–0.47	–0.47	–0.46
Montenegro	–	–	3.5	–0.85	–0.78	–0.71	–0.63
Macedonia	0.41	0.4	0.39	0.26	0.26	0.25	0.24
BiH	0.76	0.48	0.45	0.34	0.02	0.01	0.00
Albania	1.06	1.03	0.51	0.55	0.25	0.27	0.28

Source: *CIA World Factbook*, available online at: www.cia.gov/library/publications/the-world-factbook/ (accessed 25 November 2012)

illegal migration, ethnic intolerance, lack of will to confront the past, environmental problems, emigration of young educated people, and most of all, economic hardships.

State weaknesses

A necessary precondition for resisting such threats is that states possess institutional capacity and political legitimacy to implement laws and employ force, if necessary. The fact that most WB states are weak, unfinished states explains why soft security threats remain a serious security concern (Kostovicova 2007; Jano 2009; Grdešić 2009).

The Index of State Weakness in the Developing World (Rice and Patrick 2008) measures 141 states by various economic, political, security and social welfare indicators to produce a list of the weakest states in the world. In global terms, according to this index, the WB states are far from being the absolute weakest. Serbia is listed as the weakest of them (positioned at 108), followed by Albania (ranked 111), BiH (113), Macedonia (114) and Croatia (131). Montenegro and Kosovo are not ranked since they became independent at the time the research was ongoing or just completed, in 2006 and 2008 respectively. Although WB states score relatively well on this list, a point of concern is the fact that they are the only European states – except Moldova and Ukraine – thought weak enough to be included in it.

State weakness has different 'faces' in the WB region. For example, the lack of political consensus on the nature of the state as in BiH (cf High Representative in BiH 2012), regional constraints as in Macedonia or unfinished territorial delineation as in Serbia's case, are specific national concerns that compound the general weakness of all WB states. The rulings of the International Criminal Tribunal for the Former Yugoslavia (in November 2012), proclaiming Croatian generals Gotovina and Markač and the former Kosovo Prime Minister, Haradinaj, not guilty of war crimes, led to an upsurge of nationalist rhetoric within Serbia and the shattering of its relations with neighbours. Conversely, when The Hague Tribunal acquitted Serbian general Perišić in March 2013, criticism of the tribunal's *modus operandi* was heard among Serbia's neighbours. Nationalist rhetoric is still a potent instrument to foment mistrust and raise fears in the region.

Corruption and organized crime

It is no surprise that poorly-governed territories become the ideal place for illegal businesses. The so-called Western Balkan route is used for drugs, arms and human trafficking. Dense networks of criminal groups operating across borders are not easily suppressed even by the coordinated, trained and equipped police forces of a strong state, much less the police of weak states. Organized criminal groups benefit from frail states, weak regional infrastructure, uncontrolled borders and limited policing (Howard and Traughber 2008: 375).[10]

The 2013 Europol report states that the Western Balkan route continues to be used for trafficking drugs, weapons and humans.[11] Serious problems in tackling organized crime, both internal and trans-border, arise from the fact that not only are WB states' institutional structures too weak to fight organized crime effectively, but criminal structures can be directly linked to the state apparatus. Stojarová (2007: 111) finds that the existing symbiosis between organized crime and the security sector undermines efforts at police reform and other initiatives that would strengthen the rule of law.

The legacy of the conflicts of the 1990s is difficult to exaggerate because it confronts the processes of institution-building, democratic consolidation, reconciliation and economic revitalization with the need for a comprehensive structural overhaul of both state and society. This is state-building almost *ab initio*. Resistance to changes among those who lose out by a strong rule of law and increased transparency has been forceful, the most extreme example being the assassination of a Serbian Prime Minister in 2003.[12] The slowness of reforms, the lack of capacity to effectively counter-corruptive and criminal activities, and the lack of will to assume governance responsibility are constantly criticized by the international community (see, for example, European Commission 2012c).

Corruption is perceived as endemic throughout the region (Gallup 2010: 34). Among 183 countries surveyed, the Transparency International annual corruption report places WB countries somewhere in the middle. The best performing are Croatia and Montenegro (ranked at number 66), while Kosovo, at 112, is the most corrupt in the region.

The 2012 European Commission Progress Reports for the WB countries underline the need for an effective fight against corruption. While moderate progress has been noted in Albania and Montenegro, greater efforts are required in the case of Macedonia and BiH and Serbia saw limited progress. The 2012 EU Commission's Feasibility Study for a Stabilization and Association Agreement for Kosovo also underscores that the country needs to demonstrate a clear commitment to fight organized crime and corruption. Croatia made clear progress in this sphere during the negotiation process:[13] the EC Monitoring Report (2013) on Croatian preparedness for EU membership concluded that the country had continued to strengthen its legislative framework to prevent corruption, but this needed to be effectively implemented.

Economic and social threats

Even without conflict legacies, weak democratic institutions and contested identities, the slow economic transition to market economy would be a sufficient source for instability and security threats in this region. Collier *et al.* (2008) see two key goals that post-conflict societies should aim for. One is facilitating economic recovery, while the other is reducing the risks of renewed conflicts. The former ultimately plays a crucial role in the latter as well: peace and stability depend more on economic progress, along with the immediate military presence, than on political designs.

Table 8.3 Global corruption ranking of Western Balkan States (2005–2011)

Year/no of countries (total)	*2005/159*	*2006/163*	*2007/180*	*2008/180*	*2009/180*	*2010/178*	*2011/183*
Croatia	70	69	64	62	66	62	66
Serbia	97	90	79	85	83	78	86
Montenegro	97		84	85	69	69	66
BiH	88	93	84	92	99	91	91
Albania	126	111	105	85	95	87	95
Macedonia	103	105	84	72	71	62	69
Kosovo	–	–	–	–	–	110	112

Source: Transparency International, Corruption by country/territory annual reports, 2011.

Note
The new methodology introduced in 2012 does not enable comparison with the results of the Transparency International's CPIs of previous years, thus the year 2012 is not included in the table.

The international financial crisis also struck the WB countries in 2008, threatening to amplify existing and provoke latent tensions in the region, and to shift the donor community's focus towards their own problems (Minić 2009). The region is characterized by strong inequalities of income distribution and is threatened by high unemployment, particularly among its youth (Table 8.4).

These countries are facing challenges of fiscal consolidation and structural reform. De-industrialization and low exports exacerbate already existing problems. From strong social protection systems in the former Yugoslavia, all its successor states now have relatively weak social protection systems. According to Bartlett (2010: 5), the poverty and social insecurity generated in the last two decades has fed political instability that further undermines the progress of these countries towards the EU. All these circumstances, accompanied by the lack of a clear EU membership prospect, could lead to a return of strong populist, nationalist regimes and bring long-term instability to the region as a result (Sopinska 2009).

Terrorism

The Western Balkan States are not currently targeted by any radical terrorist group and the threat of radical terrorism remains limited. However, although not providing the training or the terrain for breeding terrorist groups, the Western Balkans may play a secondary role as a site for terrorist transit, rest and recuperation (Woehrel 2005). The US Embassy in Sarajevo called the 2011 shooting at the US Embassy an incident, not an act of terrorism.[14] In 2012, five men were put on trial on terrorism charges after killing five people at the Smiljkovsko Lake in Macedonia, reportedly aiming to create fear, insecurity and inter-ethnic intolerance among Macedonian citizens (Karajkov 2012). It was found that the perpetrators were not (yet) connected to any terrorist organization. Infiltration by some radical Islamic groups was noted in parts of Bosnia and Herzegovina, Sandjak (Serbia), Macedonia and Kosovo in the late 1990s. Today, the general assessment is that the threat of Islamic terrorism is primarily cited for political purposes; yet as the fear of terrorism is rooted in its very unpredictability, it could take just one or two terrorist acts to jeopardize security here as elsewhere in the world.

Table 8.4 Percentage of unemployed workforce in the Western Balkans, 2005–2011 (%)

	2005	*2006*	*2007*	*2008*	*2009*	*2010*	*2011*
Croatia	–	18	11.8	13.7	16.1	17.6	17.7
Serbia	–	–	18.8	–	16.6	19.2	23.4
Montenegro	27.7	–	14.7	–	–	–	11.5
Macedonia	37.3	36	34.9	33.5	32.2	31.7	31.4
BiH	44	45.5	29	45.5	40	43.1	43.3
Albania	14.8	14.3	13.8	12.5	12.8	13.5	13.3
Kosovo	–	–	40	–	45	–	45.3

Source: CIA World Factbook, annual country data, 2005 to 2011.

Civil security threats

The WB countries are highly exposed and vulnerable to natural hazards, including floods, earthquakes, forest fires, droughts and heatwaves, as well as man-made disasters linked to infrastructures and industrial pollution. There are also examples of environmental threats, such as the air pollution from plants and refineries, industrial hazards resulting from old technologies, pollution of coastal waters from sewage outlets and other threats of a similar kind. Air and water quality, waste management, recycling and nature protection are among the environmental areas of concern in the Western Balkans (CSIS – EKEM 2010). The impacts of such disasters are too overwhelming to be handled by a single country, especially when they have transnational impacts or cross-border implications.

The role of international actors in the Western Balkans: NATO and the European Union

NATO

NATO focuses on military aspects of security in the Western Balkans. Most countries in the region want to join NATO. Their shared membership would defuse conflict threats that the region grappled with in the 1990s, but also strengthen the rule of law and democratic institutions – prerequisites for enhanced security.

NATO opened its Partnership for Peace programme to WB states and Macedonia joined in the mid-1990s, while the others followed by 2000. Croatia and Albania are full-fledged NATO members as of 2009, while others, apart from Serbia, are implementing required reforms as a prerequisite for membership. Montenegro and BiH joined the Membership Action Plan (MAP) in 2009 and 2010 respectively with long reform paths ahead, a task the more difficult given their moderate public support for NATO membership (59.7 per cent in BiH[15] and 37.3 per cent in Montenegro).[16] Serbia, although a member of the PfP, is not currently a potential NATO member since, in 2007, it declared itself a (militarily) neutral state.[17] Public opinion in Kosovo favours NATO membership, but its membership ambitions are hampered by incomplete recognition.[18]

The region has also experienced NATO military deployments to counter military threats. By 2012, the initially 60,000 strong NATO-led international military force in BiH (deployed in 1995), had been reduced to 600 soldiers, but the NATO-led Kosovo Force (KFOR) has some 5,500 troops on the ground. The international military presence has de-militarized local conditions and defused tensions to a point where military clashes pose no immediate risk, although much work remains to institute effective civilian control of local armed and other security forces.

The European Union

Since the early 1990s, the European Union has played an important role in the WB region, aiming to stabilize and democratize the countries and facilitate good, neighbourly relations. Different tools have been used, from the regional approach

in the 1990s (EU Council of Ministers 1996) to the current 'individual merit approach' using the accession-related Stabilization and Association Process (SAP). EU enlargement policy supports the post-war democratic transition, reforms, regional cooperation and overall Europeanization of the region.

Under the 'carrot and stick' conditionality principle, progress towards EU membership depends on implementing required reforms based on the *acquis communautaire* (EU Council of Ministers 1997). Thus the EU's 'transformative power' plays an important role in institution-building, policy development and reforms, although not always with the wished-for success. Slow reforms partially reflect insufficient EU institutional capacity to pursue them, and the general lack of interest for further enlargement due to the intra-EU crisis; but they certainly also result from regional weaknesses – including weak institutional capacities, feeble political will and the perceived uncertainty over accession. Some authors argue (Stubbs and Solioz 2012: 15) that the narratives of 'returning to Europe', 'convergence', or 'widening and deepening' now seem tarnished and ambiguous in the face of new sets of power relations and disciplinary practices within the EU, together with reworked ideas of the core and periphery, 'old' and 'new' Europe, that reveal the paradoxes of Euro-Atlantic integration.

The EU's approach towards the WB represents an interaction between its enlargement policy and the Common Foreign and Security Policy (CFSP), including the Common Security and Defence Policy (CSDP) as its operational arm. Elements of the pre-accession process are mixed with peace and state-building processes in the post-conflict regional environment. The EU has further used the WB region for deploying military and civilian CSDP missions, thus upgrading its crisis management and security role in BiH, Macedonia and Kosovo.[19]

However, the ever-changing security challenges in the region require a re-thinking of EU policy towards the region. During its presence, the regional architecture has changed – two new independent small states appeared since 2006 (Montenegro and Kosovo), and the region gained its first EU member state in 2013. The overall landscape of the region will be characterized for years to come by a set of unresolved issues, the most important being the constitutional and state issues of BiH, Macedonia's name issue with Greece, and the Belgrade–Priština dialogue issue. The unresolved – very often bilateral – inter-state disputes still represent one of the region's biggest challenges and a threat for the process of enlargement.

The important common task is to deal with the challenges of regional enlargement following Croatia's entry to the EU. Croatia is seen as the first success story of EU enlargement in the WB and its membership proves the credibility of the Stabilization and Association Process. The most important expected benefit of Croatia's accession to the EU is its contribution to regional security. However, strengthened EU enlargement instruments are needed in the future. A slowing-down of enlargement processes would bring new frustration, populism and nationalism in the region and, what is most important, a further slow-down in reforms. The EU must re-think its strategic approach to the WB region and put more content into the process of enlargement.

Regional and national responses to security threats in the Western Balkans

Regional cooperation

Regional cooperation is understood as a prerequisite for creating stability, security and long-term peace in Western Balkans, and has been seen as the 'main remedy for the regional conflicts' (Elbassani 2008: 300). Apart from security-driven reasons, regional cooperation has a strong economic dimension. Today, the measure of success for a small country is its ability to integrate in the international system and benefit from access to larger markets at various levels, from the sub-regional and regional upwards (Bechev 2011: 154).

Regional cooperation is understood as a collective, intergovernmental action of three or more states that takes place within a geographically-bounded, but sometimes vaguely defined or politically contestable, setting. The outcomes are varied and may include trade liberalization, joint regulation, common projects, institutional arrangements and decision-making procedures, common responses to threats and issues especially of a political kind and many other joint solutions (Bechev 2011). Numerous regional organizations and initiatives exist in the WB region,[20] and engaging in them has become a cornerstone of EU accession conditionality for WB states. Initial local reactions to requests for stronger cooperation were not enthusiastic, but it is now accepted as a necessary condition for EU and NATO membership (Stubbs and Solioz 2012: 23). Over time, the WB countries have become more active and the 'ownership' of regional cooperation has gradually strengthened.

Cooperation takes place in the fields of justice and home affairs, law enforcement, police cooperation and other security-related areas. The focus is on soft security issues, such as corruption, trans-border crime, illegal trafficking, migration management and the promotion of transparency in public administration. A number of projects or joint activities have resulted, which advance good governance and help to create intergovernmental frameworks to deal with these challenges more effectively.

Today, the umbrella organization for WB regional cooperation is the Regional Cooperation Council (RCC), launched in 2008 as a successor to the South-East European Stability Pact.[21] It operates under the political guidance of the South-East European Cooperation Process (SEECP). In its sixth year of work, RCC constitutes a clear-profiled, leading platform for guiding and monitoring cooperation in SEE, and has helped to establish an integrated, regionally-owned cooperation mechanism among governmental security sectors. Local ownership of regional cooperation has improved and must now move to a new level of consolidation by taking greater regional responsibility for carrying the process forward.[22]

Among many other areas the RCC's work includes cooperation on security-related matters, such as justice and home affairs.[23] The RCC has initiated the Regional Police Cooperation Convention for SEE, a cooperation mechanism

linking the Chiefs of Military Intelligence (SEEMIC), the South-East European National Security Authorities (SEENSA) and the South-East European Counter-intelligence Chiefs Forum (SEECIC). The entity known as RACVIAC – Centre for Security Cooperation (www.racviac.org, accessed 25 November 2013) – deserves attention as an international, but regionally-owned, academic organization that, since 2000, has helped foster dialogue and cooperation on security matters by transforming thinking on national, regional and international security cooperation issues.

There are further regional initiatives for security cooperation. The Southeast Europe Police Chiefs Association (SEPCA, www.sepca-see.eu, accessed 25 November 2013) has, since 2007, promoted the police's transformation into an effective and democratic service, while the Police Cooperation Convention for Southeast Europe (PCC SEE) organizes and monitors the implementation of the treaty-based procedural mechanism for police regional cooperation.[24] The Regional Anti-corruption Initiative (RAI, www.rai-see.org, accessed 25 November 2013) was established in 2000 as an intergovernmental organization and regional platform for combining the anti-corruption efforts of governments, civil society, aid agencies and international organizations. In the area of civil security, the Disaster Preparedness and Prevention Initiative for South-Eastern Europe (DPPI SEE), founded in 2000 by the member states of the Stability Pact, aims to help the countries of the region work together in preventing and responding to natural and man-made disasters.

Governments in the region have signed a series of bilateral agreements on the mutual extradition of criminals, who often found refuge in a neighbouring state by (mis)using the status of dual citizenship.[25] These agreements are not applied to individuals charged with war crimes and cannot be retroactively applied, but they are another important element of police and judicial cooperation.

These initiatives reflect the progress achieved towards 'ownership' of regional cooperation in the areas of security, particularly in justice and home affairs. It is important to note that practically all WB countries take part in key initiatives;[26] and there has been some visible success. Integrated border management, police cooperation in combating organized crime and corruption, and civil security cooperation serve to confront security threats. Regional cooperation on security fosters dialogue and integrates regional interests into national ones. Much remains to be done, however, and further efforts are needed to consolidate regional cooperation.

National responses

Confronted with various security challenges, WB nations have always needed international, and in particular, European support and mentorship to improve the conditions for stability and prosperity. One genuinely local effort to improve the sense of trust and respect has, however, been the policy of reconciliation.[27] The capacity to face the past, and the courage to face victims and apologize to them, is essential for overcoming mistrust and fear and for laying the basis for honest

relations based on respect.[28] The WB policy of reconciliation has been unanimously welcomed and supported by the international community, in particular by the US, the EU and European capitals.[29] However, there is a limit to what such a policy can solve by itself.

With EU backing, several so-called high-level or structural dialogues have been initiated in the region to attempt to overcome obstacles perceived as almost insurmountable. Thus, the EU has launched activities to tackle issues like the inability of Macedonia to progress towards NATO and EU accession due to the 'name' issue (handled by the High-level Accession Dialogue between EU and the government of Macedonia – HLAD);[30] the High-level Dialogue between Kosovo and Serbia;[31] and the Structured Dialogue with Bosnia and Herzegovina.[32] Their main goal is to relieve tensions over the highly-contested topics they individually deal with, focusing instead on issues where agreements and consensus can be reached. Dialogue is seen as an instrument to make breakthroughs on issues that have long been blocked, before negotiations on EU accession for the relevant states can begin.

In contrast to the political sphere, civil society organizations have cooperated across borders throughout the past two decades, confronting the region's unresolved issues and seeking common solutions. One example is the regional, civil society-driven initiative RECOM, which is working hard to mobilize support for an initiative seeking to transform current national narratives that glorify the national victims of past wars and aiming, instead, to treat all victims of these wars as a shared memory. The method used for this, namely providing evidence for each single loss of life in the wars of the 1990s in one document, offers a blueprint for confronting the past, based on facts.[33]

Conclusion

Western Balkan states in their recent history of independence have faced diverse security threats. The violent breakup of the former Yugoslavia led to a series of succession wars and the creation of new countries that could all be categorized as small, or even micro-, states. Their security has been jeopardized by armed conflicts, by prolonged economic, political and social transitions, and by slow post-conflict reconciliation. The threat of new military conflicts is low and is expected to vanish completely once these states complete accession to the EU and NATO. Yet a number of soft security threats remain, seriously affecting the 'normality' associated with peaceful, stable, democratic and sustainable states.

All WB states are in some way included in the process of accession or membership of the EU and NATO. As from 2013, Croatia is a member of both. Albania is a member of NATO, while all other states are either candidates or potential candidates for membership in both organizations (with the notable exception of Serbia vis-à-vis NATO membership). The EU accession process is particularly important for democratic, political, economic and administrative reforms in the region. Furthermore, the measure of success for a small country

is, nowadays, its ability to integrate in the international system and benefit from access to larger markets at various levels, from sub-regional to regional and further upwards. However, after Croatia's accession it is hard to envisage another round of enlargement until 2020 or even later. The slow-down in enlargement could bring new frustration, populism and nationalism in the region and, what is most dangerous, another slow-down in local reforms. Essential reforms are already going slowly, as these states are weakened both by internal turmoil and by the external and/or regional pressures imposed on them *inter alia* by bilateral disputes, and suspension or stalemate in their progress towards EU membership.

State weakness has been reflected, among other things, in the lack of capacity to strengthen the rule of law, to control borders against organized crime and to fight corruption. The strong society and strong economy that underpin a viable democratic state have been lacking, leaving the whole process of state-building – the corner-stone for creating stability and security in the region – exposed to the often overlapping and sometimes conflicting agendas and initiatives of different actors. This situation has changed as the EU has emerged as the most responsible and present actor in the region, although other actors still play roles.

The smallness of these states, combined with limited public administration efficiency, clearly affects their capacity to efficiently address economic, social and security issues. This is why regional cooperation in the area of security, particularly in the fields of justice and home affairs, is seen as a way forward. The profile of existing initiatives shows that WB states have jointly responded to a number of security challenges by regional cooperation, *inter alia*, in integrated border management, police cooperation against organized crime and various other aspects of civil security. Regional cooperation builds mutual trust, although mutual trust is also a necessary precondition for cooperation. Under such conditions, the WB region (with the exception of Croatia) in the decade to come will remain an arena for intensive oversight and, in some respects, external administration by the EU (and NATO). The transition to a neighbourhood of full-fledged democracies and viable economies, of societies at peace with themselves and others, will be long. It may be slow, but the most important point is that it keeps going.

The heterogeneity of reform processes in the region is unavoidable and therefore should be accepted on its own merits. Croatia, as a new EU member state, can positively impact upon and contribute to the implementation of reforms in other countries during their accession process, by sharing knowledge, skills and experience gained during its own EU apprenticeship. EU membership gives Croatia an opportunity to explore the potential for transforming itself from a small state to a *small power* (Jović, 2011: 7) in handling the foreign and security policy issues facing the Western Balkans. Thus, the slow – and most likely prolonged – business of EU accession can be used to implement comprehensive reforms, while adapting the accession process to each nation's own capacities and possibilities.

Notes

1 In this chapter, the Former Yugoslav Republic of Macedonia (FYROM or FYR Macedonia) is simply called Macedonia.
2 The term South-Eastern Europe (SEE) is sometimes also used to describe this region, but it is geographically broader and also includes Bulgaria, Romania, Turkey and Greece; frequently Moldova, and sometimes Slovenia.
3 Croatia entered the EU on 1 July 2013.
4 The Republic of Croatia declared independence in 1991, while Kosovo declared independence in 2008. On the other hand, Albania marked 100 years of independence in 2012.
5 The Republic of Kosovo became independent on 17 February 2008. As of 16 March 2013, Kosovo has received 101 diplomatic recognitions: from 99 of the 193 United Nations (UN) member states, 22 of 27 European Union (EU) member states, 24 of 28 NATO member states, and 32 of 57 Organization of Islamic Cooperation (OIC) member states. The Government of Serbia does not officially recognize it.
6 Serbia is facing the challenge of the territorial issue and new forms of nationalistic rhetoric, Kosovo is burdened with the issues of international recognition and identity, Macedonia with the so-called name issue, Albania with deep internal political rifts and BiH with the constitutional issue.
7 The SIPRI military database contains data for 171 countries for the period 1988–2011.
8 See, www.balkan-monitor.eu/files/BalkanMonitor-2010_Summary_of_Findings.pdf (accessed 19 November 2012).
9 The population growth rate is defined as the average annual per cent change in the population, resulting from a surplus (or deficit) of births over deaths and the balance of migrants entering and leaving a country.
10 See also Chapter 9, on Moldova and Georgia, in this volume.
11 EUROPOL SOCTA 2013 Report, Chapter 2: Crime Areas, available online at: www.europol.europa.eu/sites/default/files/publications/socta2013.pdf (accessed 20 November 2012).
12 Prime Minister Zoran Đinđić was assassinated on 12 March 2003, in Belgrade. The former commander of the Red Berets, an elite Special Operations Unit, founded by the regime of Slobodan Milošević to carry out special tasks during the wars in the former Yugoslavia, was accused of organizing the assassination. This tragedy led to the decision by the Serbian government to dissolve the Red Berets.
13 In 2010, the former Croatian Prime Minister and several ministers in his cabinet were put on trial on charges of corruption.
14 Mevlid Jašarević, a 23-year-old from Novi Pazar in Serbia, fired at the Embassy; see (Hopkins and Hadžović 2011).
15 Banja Luka (2011).
16 CEDEM (2012)
17 See www.isac-und.org/download/Neutrality_in_Europe_in_the_XXI_century_and_the_Case_of_Serbia.pdf (accessed 19 November 2012).
18 The main obstacle has been the position of four NATO members that do not recognize Kosovo's independence – Spain, Slovakia, Greece and Romania. 'Kosovo's Path towards the NATO Partnership for Peace (PfP) Programme', Kosovar Center for Security Studies 2012, p. 9, available online at: http://qkss.org/new/index.php?section=news&cmd=details&newsid=330&teaserId=11 (accessed 19 November 2012).
19 In BiH, the EU Military Operation, EUFOR Althea, taking over from NATO's SFOR to maintain peace and security, was followed by the EU Police Mission EUPM and the creation of an EU Special Representative, EUSR. In Macedonia the EU Military Operation EUFOR Concordia, focusing on crisis prevention, was followed by the EU Police Mission, EUPOL Proxima, later replaced by the EU Police Advisory Team,

EUPAT. In Kosovo, the EU's Rule of Law Mission (EULEX Kosovo) is the EU's largest CSDP mission and holds responsibility for security and stability following the UN-mandated Interim Mission, UNMIK.

20 Regional organizations and initiatives in WB countries could be categorized into several groups according to their legal status and institutional characteristics. Some function as international intergovernmental organizations or non-governmental organizations (NGOs); others are donor-funded initiatives or projects; and there are many networks with structures and operations hosted by other, mostly governmental, institutions (Regional Cooperation Council, 2011).

21 The EU-sponsored Stability Pact for South-Eastern Europe was launched in 1999 as the international community's first comprehensive conflict prevention strategy, aimed at strengthening the efforts of the WB countries to foster peace, democracy, respect for human rights and economic prosperity.

22 Regional Cooperation Council (2011–2012).

23 The European Commission, which is a member of the RCC, provides financial support for the Secretariat in Sarajevo and for some of its initiatives.

24 This is adopted by eight countries (Albania, Bosnia and Herzegovina, Bulgaria, The Former Yugoslav Republic of Macedonia, Moldova, Montenegro, Romania and Serbia).

25 For a quick grasp of the process, see http://dnevnik.hr/vijesti/hrvatska/hrvatska-i-srbija-dogovorili-medzusobno-izrucivanje-kriminalaca.html; http://setimes.com/cocoon/setimes/xhtml/hr/features/setimes/features/2011/05/19/feature-02 (accessed 19 November 2012).

26 In some initiatives Kosovo is still not participating officially.

27 Croatian President, Ivo Josipović, who took office in 2010, made a strong contribution together with the Serbian President, Boris Tadić, to consolidating relations between Serbia and Croatia, and improving the sense of reconciliation and understanding in Bosnia and Herzegovina. The new Serbian government should continue in these efforts.

28 The policy of reconciliation has been extensively covered in the media, mostly endorsed but also criticized by nationalist circles on all sides.

29 See, www.state.gov/secretary/rm/2012/10/199931.htm and http://daily.tportal.hr/94848/Fuele-Tadic-s-visit-to-Vukovar-important-step-towards-reconciliation.html (accessed 19 November 2012).

30 http://europa.eu/rapid/press-release_MEMO-12–187_en.htm?locale=en (accessed 19 November 2012).

31 See, http://setimes.com/cocoon/setimes/xhtml/en_GB/features/setimes/features/2012/09/27/feature-02 (accessed 25 November 2013).

32 See, http://europa.ba/Default.aspx?id=87&lang=EN (accessed 25 November 2013).

33 See, www.zarekom.org/uploads/documents/2011/04/i_836/f_28/f_1865_en.pdf (accessed 25 November 2013).

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9 Georgia and Moldova

Caught in the outskirts of Europe?

Ruxandra Lupu Dinesen and Anders Wivel

Introduction

The collapse of the Soviet Union in December 1991 led to the creation of fifteen newly independent states that needed to formulate foreign and security policies allowing them to meet the challenges of a new international system and a transformed geopolitical environment. The dominance of the Moscow-based Soviet regime over the rest of the Soviet Union, combined with the Cold War between the two superpowers, had effectively 'overlaid' other conflicts and thereby dominated the security agenda for 45 years (Buzan 1991). Now, with the dissolution of the Soviet Union, the overlay was lifted and security challenges were diffused and diversified, with old or new ethnic, religious, ideological, and economic divisions serving as the basis for conflict. At the global level the political and military balance of power was transformed, leaving the world 'off-balance' with the United States as the only superpower (Walt 2002).

Not surprisingly, the post-Soviet states encountered serious difficulties as they entered a period of transition, adjustment and restructuring in all political sectors, whilst simultaneously witnessing a dramatic drop in economic performance. Their GDP fell on average between 40 and 50 per cent during the first five years of independence. Post-Soviet states faced the entire spectrum of the small state security challenges identified in Chapter 2: namely challenges related to military hard security, non-state violence, economic security, and accidents and natural hazards (in particular related to environmental degradation). In addition, as newly independent states, they typically lacked the official structures for security policy assessment, decision-making and execution that are identified in Chapter 2 as key factors for meeting these security challenges. Even 20 years after independence, many of these states are still in the process of developing such procedures and are facing the challenge of attracting qualified personnel for key positions.

Security challenges, as well as the ability to meet them vary, significantly across the post-Soviet space. Most importantly, and in accordance with the editors' definition of a small state in Chapter 1, security challenges vary to the extent that post-Soviet states are the weaker party in an asymmetric relationship.[1] Thus, the Russian Federation typically faces a different set of challenges

from those of Moldova or Georgia, and a different choice of political, economic and military instruments when attempting to respond to those challenges. The absolute and relative size of territory, population and the economy, military expenditure and political and administrative competence (Waltz 1979; Chapter 1 in this volume), as well as geopolitical location and opportunities for institutional membership and influence (Mouritzen and Wivel 2005a), all affect the nature and extent of power asymmetries and their effect on small state security.

Taking this point of departure, our analysis explores the security challenges of two small post-Soviet states, the Republic of Moldova[2] and Georgia. Located in the outskirts of Europe, Moldova and Georgia face some of the security challenges typically encountered by states outside the highly stable and institutionalized European security order, while at the same time aiming explicitly to become members of that order. The chapter explains and compares the way that each of them has responded to these challenges, and discusses what policy lessons may be learned.

Moldova: defensively muddling through to EU membership?

Squeezed between Romania and Ukraine, the Republic of Moldova lies at the western extremity of the former Soviet Union. Moldova is a member of the Commonwealth of Independent States (CIS) and borders upon NATO (since 2004) and the EU (since 2007). Devoid of energy resources, and with an economic structure highly dependent upon exports to the EU and energy imports from Russia, Moldova is considered to be the poorest country in Europe, with a quarter of its citizens falling below its own poverty line.[3] In 2012, the IMF estimated Moldova's GDP per capita was by far Europe's lowest, at US$2,037, compared with the Netherlands at US$46,148.[4] This poverty has caused many Moldovan citizens to leave the country in order to find work abroad – some estimates mention over a million from a population of *c*.3.6 million – thereby triggering a social and economic crisis (Pantiru *et al.* 2007: 9).

These figures point to the persistent importance of economic security challenges to the Moldovan state. However, in the Moldovan case, economic security is closely related to geopolitics, and in particular to the separatist region – the Transnistrian Moldovan Republic (TMR) – which is by far the biggest challenge to Moldova's security.[5] Having been merged by Soviet action with the annexed Romanian province of Bessarabia[6] in 1940, this de facto state is today home to money-laundering, smuggling and, allegedly, weapon trafficking –underpinned by the presence of the Russian troops stationed in Transnistria (Munteanu 2002: 202). Moldova's independence, its territorial integrity and its freedom of manoeuvre in international affairs, are all dependent on finding a solution to this conflict (Emerson and Vahl 2004: 7); but Russia uses its military presence to prevent a solution that would let Moldova move closer to the EU and NATO (Chifu 2007: 38).

The Transnistrian conflict (and Russia's involvement in it) are an outgrowth from the troubled history of the Moldovan state. What today constitutes the

Republic of Moldova has changed hands, in whole or part, several times in the past between Romania and Russia, making any internal ideological consensus and nation-building project impossible. Great power intervention resulted in the reconstruction of the territorial borders of Moldova and the internal composition of the Moldovan state a number of times over the past centuries. (Yekelchyk 2008: 19). In 1812, when the historic Romanian province of Bessarabia was annexed by Russia, Moldovans constituted 86 per cent of the population. By the beginning of the twentieth century, the Moldovan population had been reduced by almost 40 per cent and only made up 14 per cent of the urban population (Roper 2008: 80–81). Later, the ethnic and social composition of Moldova was changed by Soviet social engineering, with the purpose of assimilating the local ethnic groups (Tudoroiu 2012: 138). Ever since, Moldova has been struggling to define its identity, caught between Romanianization and Russification (King 2000: 185).

In sum, being a small country located between Romania and Russia has been decisive for Moldova's security predicament. Moldova is highly vulnerable to military attack, having a small and easily accessible territory, and Moldova's military capabilities are virtually non-existent. The country is officially neutral, and a military attack is highly improbable, but the continued presence of Russian troops and armaments in Transnistria undermines Moldova's sovereignty. In addition, the Russian authorities have allowed Moldova, and especially Transnistria, to become transit routes for smuggling drugs and weapons and for human trafficking from Russia and Central Asia to Europe, thereby undermining the internal security of the country (Löwenhardt *et al.* 2001: 615). Economic security has been affected as well, since most of Moldova's industry is located in Transnistria. As already noted, this has left Moldova as the poorest country in Europe, with much of its economy based on remittances from Moldovan expatriates, and a high dependency on gas deliveries from Russia and the export of agricultural products to Russia.

The geopolitical context of current Russia–NATO–EU relations is crucial for understanding Moldova's security struggles. By expanding eastward, NATO has touched Russian borders through the Baltic States. The 2008 NATO Summit in Bucharest did not reach agreement on accepting Macedonia and Albania as members, nor Ukraine and Georgia as candidate countries. However, keeping an open door for the alliance's eastward expansion has retained a prominent place on NATO's agenda. Even if the issue is less pressing today than in the first decade after the end of the Cold War, the 2010 Lisbon Summit reaffirmed the 'open door' and this remains official NATO policy today. In line with Article10 of the 1949 Washington Treaty, NATO membership is open to any state demonstrating its ability to further the principles of that treaty, of contributing to security in the Euro-Atlantic area, and of meeting a set of political, economic and military criteria. While stressing what they view as the non-threatening nature of an enlarged alliance, NATO leaders are equally eager to stress that it is consensus within the North Atlantic Council that determines the admission of a new member state, and that no third country will have a say in this decision

(NATO 2013). This obviously brings the Atlantic Alliance into direct conflict with Russia's foreign policy goal of maintaining control over its historical spheres of influence (Sanchez 2009: 165).

Despite its important geo-strategic location between East and West, the Euro-Atlantic community generally treated Moldova with neglect in the first years after the country's independence. EU and NATO clearly signalled that relations with the former Communist Central and Eastern countries, who were first in line for joining the two institutions, had a much higher priority. However, when the Kosovo crisis in 1999 was followed by a worsening of NATO–Russia relations, Western politicians began to pay more attention to Moldova. The EU, in particular, became aware of the proximity of Moldova because of its border with Romania, an EU candidate country that was to become a member in 2007. Creating stability at the EU's border and in the wider European region is one of the most important goals of the EU; and Moldova has further been acknowledged as a factor in the context of EU relations with Russia (Sasse 2010: 182).[7]

Although endowed, at least in this sense, with strategic importance, Moldova is a small state, whether measured by traditional absolute or relative power capabilities, or in terms of relational power as suggested in Chapter 1 of this volume. Being situated at the crossroads of two rival security systems, the Euro-Atlantic, NATO-dominated area and the Russian sphere of interest, its geopolitical vicinity is less stable than that of most European states (Marcu 2009: 410). Small states are generally far more sensitive to transformations of, and changes in, international and regional security orders, because their power deficit usually leaves them without much leverage to influence the transformation process or its end product (cf. Jervis 1978: 172–173). Moldova, for its part, has shown limited ability to adjust, politically and economically, to the new geopolitical challenges arising in the 1990s and for most of the 2000s, mainly because of the Transnistrian conflict, which leaves it at the mercy of the Great Powers and undermines its attempts for a more consistent foreign and security policy.

The EU fears that the Transnistrian conflict and the instability it brings will affect the security and stability of the EU itself. To Russia, Transnistria has a more symbolic significance. Russia has traditionally attributed great geo-strategic importance to the Danube-Black Sea region. After the end of the World War II, the fourteenth Army of the Soviet Union was stationed in Transnistria in order to be able to intervene in South-East Europe. Russia views Transnistria as the key to the Balkans, and by leaving the area, it would lose its influence on the whole region (Gabanyi 2008: 5). Further, and as noted above, by holding Transnistria in this limbo situation, it prevents political and constitutional normalization in Moldova and thereby makes Moldovan eligibility for EU or NATO entry highly problematic (Tudoroiu 2012: 149). Consequently, Moldova's foreign and security policy during most of the 1990s was a balancing act. Moldova wanted Russia's support, and acknowledged its historical ties to Russia as well as its dependence on Russia for energy and trade. At the same time, Moldovan leaders used the West to counterbalance the threat of Russian

dominance of Moldovan politics and security (Villarroel 2005: 63–66). As emphazised by local experts, Transnistria is the main issue that makes Moldova important in the geopolitical considerations of both the EU and Russia (author's interviews with local experts).

Small states typically face the choice between a defensive and a proactive foreign policy position: between the safeguarding of autonomy (often by taking a neutral or non-aligned position vis-à-vis the Great Powers), or active engagement in international society in order to seek protection and influence (Mouritzen 1997: 101–106). The Moldovan case illustrates that in practice, small states tend to balance between offensive and defensive policy positions. They often choose a defensive position when faced by a military threat, and a more offensive position in international institutions where common rules help create a level playing field, making traditional power capabilities (i.e. military power) less important (Neumann and Gstöhl 2006: 20).

In terms of hard security, Chisinau has chosen a defensive position by declaring the country permanently neutral, trying to avoid falling back under the Russian sphere of influence.

As a newly established country, Moldova's stability in the 1990s was extremely fragile. At the time, the political elite saw permanent neutrality as the only sensible solution for the country's combination of geopolitical location with an almost total lack of military forces and military experience. Neutrality was a cheap and convenient way of defending the sovereignty and independence of the country (Cebotari 2010: 86) without provoking any of the Great Powers –though Russia did try to convince Moldova to become member of several security structures led by itself. In addition, neutrality is incompatible with foreign military bases, which provided an argument for requesting the withdrawal of Russian forces and defence equipment and technology sited in Transnistria (The Constitution of the Republic of Moldova, Article 11).

Neutrality has been successful in the sense of defending the status quo at low cost, but Russia remains active in the Transnistrian conflict and has signalled that it is unwilling to withdraw its troops. As a consequence, Moldova has shifted towards an offensive 'soft' security strategy by declaring European integration as the goal of its foreign and security policy, as officially stated in the National Security Strategy of Moldova, a document finalized in 2011 (National Security Strategy of Moldova 2011, own translation). The strategy underlines the importance of the UN, OSCE and NATO for Moldovan security and signals the nation's commitment to participate in missions under the EU's Common Security and Defence Policy (CSDP). Moldova's national security:

> may not be conceived separately from the European security. The process of European integration and acquiring of EU membership will positively influence and consolidate the security of the Republic of Moldova and will bring stability and prosperity to the country.
>
> (National Security Strategy of Moldova 2011: 25)

Moldova's pro-European position dates back to the early 1990s, but has been emphasized only since the late 2000s. Soon after its independence, Moldova declared that its future belonged to Europe and its successive governments have stressed their wish to join the Union. Moldovans are the most pro-EU citizens among the neighbourhood countries (CIVIS 2011: 122). This attitude was especially cemented after an election crisis in 2009, when the Alliance for European Integration (AEI) came to power. Since then, the Moldovan government has shown a far-reaching willingness to comply with all EU norms and requirements concerning democratization, and has often initiated reforms in strategic areas even before receiving a request from the EU to do so (Niemann and de Wekker 2010: 26–27; authors' interview with Moldovan official).

The strategy has seemingly paid off, as the EU has acknowledged the progress of Moldovan reforms. However, the changing geopolitical landscape of Europe has played a role as well. After Romania's accession to the EU, the latter recognized Moldova's strategic role in efforts to create stability at the Union's borders. Illegal migration, trafficking and the presence of a frozen conflict, together with the positive attitude towards European integration from the Moldovan side, provided strong reasons for intensifying cooperation with this small country. In addition, the failure of Ukraine's democratization after the 'Orange Revolution' has created a demand for other success stories in EU neighbourhood policy. In recent years, Moldova's political reforms and soft security strategy have placed the country in a favourable position to meet this demand (Boostra 2011: 1–5); so much so, that Moldova is coming to be viewed as a litmus test of EU influence in the region.

The relationship between the EU and Moldova changed substantially after the launch of the European Neighbourhood Policy (ENP) in 2004, following the big enlargement of the EU with ten new member states. An Action Plan was signed in 2005, and the EU increased its presence in Moldova by opening a full European Commission Delegation and by appointing an EU Special Representative for Moldova. The EU has increased its financial support to Moldova from €40 million in 2007 to €122 million in 2012 (Delegation of the European Union to Moldova 2013). Also, an EU Border Mission was deployed at the Moldovan–Ukrainian border to prevent illegal traffic. After the change in government in 2009, negotiations over an advanced Association Agreement (AA) were opened and included talks on a Deep and Comprehensive Free Trade Agreement (DCFTA). Even more important, the EU has offered visa liberalization, which will eventually lead to a visa-free regime, thereby easing the Moldovan feeling of isolation after the accession of Central European countries to the EU (Boostra 2011: 2). At the moment of writing, July 2013, the negotiations on the Free Trade Agreement have been completed and both the AA and the DCFTA are expected to be initialled at the Vilnius Eastern Partnership Summit in November 2013 (Council of the European Union 2013). Romania has had an important role in this development, as the most outspoken supporter of Moldova's European path and one of the driving forces in the European integration process (author's interviews with Romanian diplomats and politicians).

Approaching the EU has not ameliorated relations with Russia, which sees its interests lying in the status quo. It has only shown willingness to accept a peace agreement for the Transnistrian conflict under conditions that are extremely favourable for its own geopolitical interests, i.e. that it can keep its 'peacekeeping' troops and ammunition in Transnistria, and that the political outcome should be 'federalization' (Socor 2012: 5). The importance of Transnistria was emphasised by Russia in March 2012 by the appointment of a special Presidential envoy for Transnistria, Dmitry Rogozin, thereby (among other things) signalling disapproval of Moldova's continuing rapprochement with the EU (Socor 2012: 3).[8]

Georgia: normalizing the anti-small state?

Located in the Caucasus, south of Russia and in close proximity to the Middle East, Georgia's geostrategic location is notable for several reasons. According to the Georgian government, Georgia should primarily be seen as a bridge between East and West, or rather, as the bridge from West to East: a role that casts Georgia as a distinctly European country having expert knowledge of how to manage relations with the Caucasus, the Middle East and beyond. On this view Georgia belongs with the rest of Europe inside NATO and the EU and is more logically compared to the Baltic States than to Armenia and Azerbaijan.

To Russia, by contrast, Georgia is an important part of its own sphere of interest. As illustrated by the 2008 Russo-Georgian war over the two Georgian breakaway republics, Abkhazia and South Ossetia, Georgia may even represent a test-case for Russia in how far it can go to control this sphere of interest without facing serious repercussions from international society. Georgia further challenges Russia's interests politically, by its explicit ideological admiration for the United States, liberal democracy and market economy (although not always practised to the degree that it is preached); and economically, by providing an energy corridor to Europe without the involvement of Russia. To the United States, Georgia serves as a spearhead: politically, as a showcase for the possibility of liberal democracy and market economy outside Europe and North America, and militarily, by its location between Russia and the Middle East and willingness to contribute actively to military missions in Iraq and Afghanistan. However, Georgia is also a potential source of instability and provocation in US–Russian relations. To the EU, Georgia is a small state in the close vicinity of Europe, with internal security issues that may create instability beyond its own borders, and, therefore, it is exactly the kind of state that the European Security Strategy was intended to deal with. But Georgia also forces upon European decision-makers a discussion about how far to the East the Union may be expanded, and how to balance between Europe's ideals about international society and its interests in cordial relations with Russia.

The security and survival – even the construction – of Georgia have been closely tied to relations with Russia throughout Georgia's history.[9] The eastern Georgian kingdom of Kartli-Kakheti was annexed by Russia in 1801, and the western Georgian kingdom of Imereti was annexed by Russia in 1810. More

territories were gradually annexed to Georgia during the nineteenth century, including Abkhazia in 1864. Georgia declared its independence from Russia in May 1918, following the Russian Revolution of 1917 but in February 1921, Russia installed a Communist government loyal to Moscow (Nichol 2008). Georgia, Armenia and Azerbaijan were incorporated into the Transcaucasian Federated Soviet Socialist Republic (TcFSSR) in 1922, and Tbilisi was the capital of Georgia (as well as the entire TcFSSR) from 1922 until the re-emergence of Georgia, Armenia and Azerbaijan as separate Soviet republics in 1936.

The collapse of the Soviet Union resulted in the collapse of a Georgian state that included Abkhazia and South Ossetia, two breakaway republics with de facto independence from Georgia since 1990. This was the result of an action-reaction process involving Georgia, Russia and the two breakaway republics, which simultaneously strengthened nationalist discourse on all sides, both before and after Georgia's declaration of independence in April 1991. The Russian army continued to be the most powerful military force in Georgia in the first few years after independence, supplying weapons – legally and illegally – to Abkhaz and South Ossetian separatists as well as to the Georgian army, controlling the border with Turkey and maintaining the headquarters of the Russian Transcaucasian Military District (ZAVKO) in Tbilisi (Gordadze 2009: pp. 33–34). Georgia's position as a Russian quasi-protectorate gradually changed from the mid-1990s with increased cooperation with the United States. No longer on the verge of collapse, Georgia began to strive towards de facto independence from Russia and a break with 200 years of Russian military dominance. The United States increasingly contributed to Georgia's economic and military recovery and supported the Baku-Tbilisi-Çeyhan pipeline project, which would reduce Russian power over the region's energy resources. In 1999, Georgia resiled from its treaty of collective security with Russia and announced its intention to free itself of all 'foreign military presence', i.e. the Russian military bases in Georgia (Gordadze 2009: 44). In 2002, Georgia and the United States agreed on the Georgian Train and Equipment Programme. The US training of Georgian forces and support for the Georgian military were initially meant to reduce tensions between Russia and Georgia; they aimed to strengthen anti-terrorist cooperation between the United States and Russia in the aftermath of 9/11 by equipping and training Georgian forces to control the Pankisi Gorge, where Chechen separatists were hiding. Over time, however, US–Georgian cooperation was strengthened by Georgian participation in the Iraq War (eventually growing to 2000 troops, the third largest contribution to the Coalition of the Willing) and by US assistance in transforming Georgian defence to make it NATO-compatible, thereby directly challenging Russian influence in the Caucasus (Hamilton 2010: 205–206).

The diminishing level of Russian influence over Georgian society was accentuated by the Rose Revolution in November 2003, which brought Mikhail Saakashvili to presidential power. Although the Saakashvili government made an initial attempt at rapprochement with Russia during its first six months in office,

major bones of contention remained: economic and political dependence on Moscow, Russian military bases and the status of Abkhazia and South Ossetia (Tsygankov and Tarver-Wahlquist 2009: 310). In particular, disagreement over Abkhazia and South Ossetia led to provocations from both sides, and relations between Georgia and Russia quickly deteriorated. In the following years, the Saakashvili Administration made no secret of its intention to reincorporate Abkhazia and South Ossetia. Georgian military bases were placed in Senaki near Abkhazia and in Gori near South Ossetia, and Georgia openly worked to destabilize the South Ossetian and Abkhazian leaderships (Cheterian 2009: 158–159).[10]

The cornerstone of Georgian security policy became its close political and military relationship with the US (Mouritzen and Wivel 2012: 97–112; Nichol 2008, 2013). Through the above-mentioned Train and Equipment Programme, created in 2002 to 'assist in the implementation of western standards in the Georgian armed forces' (Jones 2005: 29), which included a particular focus on training in counter-insurgency tactics (Lynch 2006: 52), the US played a vital role in reforming Georgia's defence capabilities. Georgian defence was significantly upgraded between 2004 and 2008, with the procurement of battle tanks, drones, artillery and anti-air systems. US assistance, including new equipment such as helicopters and financial support as well as training, aimed specifically to bring Georgian military capabilities up to par with NATO standards. In addition, the US supported closer relations between NATO and Georgia, including an ill-fated attempt to push for Georgian (and Ukrainian) NATO Membership Action Plans at the Bucharest Summit in the spring of 2008. The US had more success with its support for Georgia's Individual Partnership Action Plan, which was endorsed by the North Atlantic Council in 2004. Also, NATO assigned a Special Representative to South Caucasus and Central Asia as well as a NATO Liaison Officer to each of the two regions. This was followed up by a transit agreement allowing NATO to transport troops and equipment through Georgian air, sea and land space (Lynch 2006: 53). In addition, through the Sustainment and Stability Operations Programme, the US trained two Georgian peacekeeping battalions for service in Iraq (Jones 2005: 29; Staun 2009: 13). This close bilateral military cooperation was further demonstrated in the latter half of July 2008, shortly before the war with Russia, when 1,000 American troops participated in a joint military exercise with Georgian troops labelled, 'Immediate Response' (Staun 2009: 10).

In August 2008, Georgian–Russian relations deteriorated further, when war erupted between the two countries over South Ossetia and Abkhazia after a series of provocations from both sides. The result of the war was an unequivocal Georgian defeat, leaving Russian troops less than an hour's drive from the Georgian capital. The US had offered political support to Georgia before, during and after the war. However, at the same time, Washington signalled its intention to avoid any direct confrontation with Russia, and in 2009 Russia and the US re-established cordial relations, leading to an official 'resetting' of their relations. More generally, with the end of the George W. Bush Presidency and the demise

of neo-conservative influence on US foreign policy priorities, the 'market value' of being a spearhead of US democratization efforts outside the Euro-Atlantic area has fallen sharply. Accordingly, Georgia has aimed to diversify its foreign policy, relying less exclusively on US support and aiming for closer relations with the EU and its neighbouring countries of Turkey and Azerbaijan. Georgia remains nonetheless a supportive and close ally of Washington, and NATO entry remains a primary objective of Georgian foreign and security policy. But the route to membership is made difficult by the unsettled status of the two breakaway republics and the continuation of a strained relationship with Russia, factors that continue to call Georgian security and stability in question. In addition, NATO stresses the importance of observing the rule of law and the development of democratic institutions and administrative procedures if Georgia is to accede (see, for example, Civil Georgia 2013a). Georgia currently seems to be making little progress on these issues, or perhaps, even slipping backward in performance, which may be the result of increased scrutiny as much as of political developments in Georgia itself. Prior to the 2008 war, the US' strong backing for the Saakashvili government sometimes seemed to sideline the promotion of Georgian democratic development in general (cf. Cooley and Mitchell 2009).

In the aftermath of the 2008 war, the United States helped Georgia to conduct a comprehensive assessment of the latter's armed forces. Subsequently, the US has played a vital role in reforming Georgian defence institutions and training programmes, with a view to improving force structure, procurement and training and to securing future interoperability with US and NATO armed forces (Nichol 2013: 42–45). However, this renewed assistance effort no longer includes the transfer of weapons, raising concerns among the Georgian leadership that they have been left defenceless in the wake of a renewed Russian threat (Civil Georgia 2010a).

In January 2012, Presidents Saakashvili and Obama agreed to enhance defence cooperation on training and surveillance, potentially opening the door for Georgian purchase of surveillance systems and small arms ammunitions (Nichol 2013: 45). In October 2012, Georgia increased the number its troops contributing to the International Security Assistance Force (ISAF) in Afghanistan to 1,570, thereby making it the largest non-NATO contributor to ISAF (Australia comes second with 1,550 troops). In contrast to most ISAF contributors (and NATO members), Georgia is willing to continue to deploy troops in Afghanistan beyond 2014 in order to assist Afghan National Security Forces (Nichol 2013: 6).

The EU has played a less prominent role than NATO in Georgian security, and no member state has taken on a role of 'sponsor' akin to the one played by the United States in NATO. The EU, under the French 2008 Presidency, did take on the role of a mediator, effectively brokering a peace agreement between Russia and Georgia, but – reflecting the outcome of the war – in effect provided no guarantees on when and how Russian troops would leave the Georgian territory. Still, the EU did manage to step in as a stabilizer at a time of trouble and

achieved a 'surprising success' by illustrating its ability to play a political role in its geopolitical neighbourhood (Mouritzen and Wivel 2012: 139–156). Moreover, closer Georgian ties with the EU would underpin political stability and democratic consolidation and provide Georgia with a geopolitical 'anchor', which would be useful in avoiding further military conflict (Waal 2011: 41–42). Accordingly, the Georgian leadership views closer relations with the EU, and potentially EU membership, as complementary to its bid for NATO membership and as providing further safeguards against Russian influence. It is expected that an Association Agreement with the EU will be completed by the end of 2013.

Attempts at regional security cooperation in South Caucasus that could serve as alternatives to either the Western alliance or closer cooperation with Russia have been virtually non-existent. GUAM (the grouping of Georgia, Ukraine, Azerbaijan, Moldova) has been viewed – in particular by Russia – as a US backed alternative to the Commonwealth of Independent States (CIS), but the organization has had little impact on either the military or economic security of the member states. A stronger, though largely informal, alliance is taking shape between Georgia, Turkey and Azerbaijan. Foreign Ministers of the three countries met in Trabzon, Turkey, in 2012 and in Batumi, Georgia in 2013, where they signed a 'sectoral cooperation action plan'. Georgian Foriegn Minister, Maia Panjikidze stressed that 'Georgia's close and friendly relations with Turkey and Azerbaijan are based on a strategic partnership', whereas Turkish Foriegn Minister, Ahmel Davutoglu, confirmed that Turkey was supporting the 'Euro-Atlantic aspirations of Georgia and Azerbaijan' (Civil Georgia 2013b). The agreement thus seemed to solidify the division of the region into 'two diverging alliances': Turkey, Georgia and Azerbaijan cooperate with the support of the United States, while Armenia cooperates with Russia and Iran (Gahrton 2010: 10). Energy and transport figure prominently in both informal alliances. Turkey, a GUAM observer with Latvia, is the biggest trading partner of Georgia – a Free Trade Agreement between the two countries entered into force on November 1, 2008 – and the two countries cooperate on energy, transport and tourism. Minor border disputes have not prevented Azerbaijan and Georgia from cooperating on transport and energy, and both countries aim to join NATO.

In sum, whereas Georgia in the 2008 war confuted all normal expectations of small state security policy by engaging in direct military conflict with a neighbouring great power, the active diplomatic engagement of Georgia latterly with NATO and (to a lesser degree) the EU, Turkey and Azerbaijan – aimed at creating the necessary institutional infrastructure for both security cooperation and trade – points to a 'normalization' of Georgia's external affairs.

Comparing Moldova and Georgia: geopolitics and the limits of small state strategy

The security strategies of both Moldova and Georgia illustrate how small states 'are stuck with the power configuration and its institutional expression, no matter what their specific relation to it is' (Mouritzen and Wivel 2005b: 4). Both states

suffer from a close geopolitical proximity to Russia, and neither of the two states can do much to change this. To Russia, both states are important for symbolic as well as practical political reasons. Russia views Transnistria as a key to the Balkans and, by keeping it in a limbo situation, it prevents accession of Moldova to the EU or NATO. Russia views Georgia as a US spearhead in the Caucasus and as an agent of Western values and unwanted political change; at the same time, Georgia is seen as a direct challenge to Russian energy interests. Both states occupy a geostrategic location between East and West yet both countries have been relatively neglected by the EU and NATO, despite heavy US support in Georgia's case. Russian troops are located in Transnistria as well as Abkhazia and South Ossetia. Finally, the current security challenges of both countries are heavily affected by their history.

At the same time, Georgia and Moldova differ in terms of geopolitical location. While both countries are located between Russia and the West, the close proximity of Moldova to both EU and NATO member states leaves it in a different position vis-à-vis these institutions from Georgia, located in the Caucasus and by the Black Sea. Georgian security and survival is more peripheral to the European great powers, because instability in the Caucasus is unlikely to have a direct effect on European stability. Therefore, a realistic EU membership perspective is more likely to be given to Moldova than to Georgia. Moreover, offering Georgia a path to EU membership would most likely provoke Russia as well as Turkey.

Georgia and Moldova have also pursued contrasting small state strategies regarding their hard security. Moldova has chosen a defensive strategy, primarily seeking to 'hide' from Russia, and trying to avoid provoking the great power next door by declaring itself a neutral country. Georgia has staked high political claims in the form of the re-integration of South Ossetia and Abkhazia, and it has refused to give in to Russian interests. In terms of soft security, the two countries have chosen an active strategy towards the EU; both have emphasized their desire to join the EU and have made significant progress towards this goal during the last three years.

While Georgia's economy is in better shape than Moldova's, and the same can be said about its efforts to combat corruption, Moldova's democracy – according to Freedom House[11] – has improved extensively since the change into a pro-EU government in 2009. In terms of civil society, independent media and national democratic governance,[12] Moldova has improved its scores since 2007, while Georgia's scores worsen or stagnate. In Moldova's case, this could reflect both the government's more determined strategy to gain an EU membership perspective, albeit in a distant future, and the EU's more sustained support both financially and politically. Consequently, Moldova's bargaining power vis-à-vis the EU is stronger today than Georgia's.

Last but not least, the conflicts that the two countries are confronted with are different in nature and importance for Russia and the EU. While the conflicts in Abkhazia and South Ossetia are closely related to questions of sovereignty and national autonomy on both sides of the conflict line, the Transnistria conflict

originates in the political and economic interests of the Transnistrian political elites. After the war in Georgia in 2008, Russia was quick to recognize Abkhazia and South Ossetia as independent states, but has not done the same regarding Transnistria. In fact, all stakeholders in the Transnistrian conflict agree that a solution should be found, whereby Transnistria remains a part of Moldova; and Russia has signalled its willingness to come to an agreement on this issue by signing the Meseberg memorandum.[13] In contrast, Russia has refused to reciprocate President Saakashvili's pledge in 2010 that, 'Georgia will never use force to roll back the Russian occupation and to restore its control over the occupied areas' (Civil Georgia 2010b).

For both countries, however, their security challenges since the end of the Cold War illustrate the strategic limitations of many small states. Despite the widened action space of small states in general since the end of the Cold War, there are important variations within and between regions. Recent literature on the security of small European states has pointed to the opportunities for influence if these states devise the right strategies (e.g. Arter 2000; Jakobsen 2009; Wivel 2005). Yet, as illustrated by the recent political history of Moldova and Georgia, these opportunities are often conditioned upon geopolitical and historical peculiarities that are not easily generalized outside the Euro-Atlantic area or even the EU. Geopolitical location (within the Russian sphere of interest) and historical legacy (most notably the inheritance of weak and corrupt political and administrative institutions) have constrained these two countries' ability to respond to their individual challenges, and have impeded their integration into the EU and NATO.

Conclusion

The security challenges of Moldova and Georgia are likely to continue in the years to come. In the short- and mid-term perspective, the probability that Moldova will remain a source of instability in the region is rather high. Even if a formal solution is found to the conflict in Transnistria, that region's re-integration into Moldova proper is likely to be costly and tense, with potential repercussions for Moldova as well as its neighbours (Cebotari and Xenofontov 2011: 32–33). In general, Moldova has little choice but to follow the advice of the EU on political and societal reform as closer relations with the EU, and eventually EU membership, remain the nation's best bet for security and stability in the future. For Georgia the challenges are even greater. Located in the Caucasus, and viewed by Georgians themselves, as well as by Russia and the United States, as a symbol of the spread of Western values into the heart of the Russian sphere of interest – as well as a concrete challenge to Russian energy interests – there is little reason to believe that Russia will allow Georgia to enter the Euro-Atlantic institutional structures of the EU and NATO. Even worse for the Georgians, the 2008 war illustrated that neither the US nor the EU are willing to put their relations with Russia at risk for the sake of Georgian security.

At the same time, both countries face two fundamental dilemmas. First, like other small states with little short-term prospect of membership of Euro-Atlantic institutions, Moldova and Georgia face a dilemma between subjugation and obsolescence (Mouritzen and Wivel 2005c: 34). If they stand firm on preserving national autonomy, they risk being viewed as obsolescent by the leading member states of the EU and NATO. The implications were brutally clear for Georgia in the 2008 war, when military confrontation with Russia ran counter to the interests of the United States and the European powers. Conversely, however, eagerness to please in order to obtain institutional membership may lead to subjugation, risking the sacrifice of core national interests. For both Moldova and Georgia, one vital but difficult task in the years to come will be to define the 'red lines' that they are not willing to cross in order to obtain membership of EU and NATO, and to signal these red lines to the leading members of the institutions without forfeiting the prospect of membership.

A second, and potentially more severe, dilemma is related to the political identity of the state in general: Which values serve as the legitimate base for policy making? The EU and NATO are populated with post-modern states that accept multi-level decision-making and overlapping political authorities and identities as a basis for policy making, resulting in collective support for a globalized economy and political and military interventions. In contrast, Moldova and Georgia share with Russia and other post-Soviet states a more traditionalist 'modern' view of policy making, based on centralized administrative, police and military institutions and the persistence of national authority in economic and security affairs.[14] If these states really want sustainable solutions for their national economic and security interests, they may, in the future, need to accept a post-modern way of doing politics, with all the risks that this entails for states not only smaller but also less consolidated than those who set the agenda in the EU and NATO.

Notes

1 The editors' definition of small states identifies a small state as 'the weaker part in an asymmetric relationship, unable to change the nature or functioning of the relationship on its own' (see Chapter 1 of this volume).
2 Called Moldova in the rest of the chapter.
3 World Bank estimate, see www.worldbank.org/en/news/feature/2013/04/10/moldova-economic-update (accessed 10 April 2013).
4 IMF World Economic Outlook Database for 2012, available online at: www.quandl.com/economics/gdp-per-capita-all-countries (accessed 15 November 2012).
5 There are different spellings of Transnistria, such as Transdniestria or Trans-Dniestr. Nevertheless, Transnistria is the most commonly used name internationally, and is the one followed here.
6 Bessarabia is the name of one of the historical provinces of Romania and corresponds to the territory of the current Republic of Moldova, without the province of Transnistria.
7 See also the European Internal Security Strategy, available online at: http://europa.eu/legislation_summaries/justice_freedom_security/fight_against_organised_crime/r00004_en.htm (accessed 15 April 2013).

8 Neither the Commonwealth of Independent States (CIS), nor GUAM (created in 1997 and short for the grouping of Georgia, Ukraine, Azerbaijan and Moldova) has had any significant influence on Moldova's foreign policy. The members of CIS have had interests that were too divergent and Russia has lost interest in the CIS, partly because of its diminishing importance for Russia's economy. At the same time, GUAM has been very weak, with Russia doing everything it can to prevent its members from substantive security cooperation (Papava 2008: 50) – see also p. 159.
9 For a more comprehensive account of Georgian security history up to the 2008 war, on which this brief summary is based, see Mouritzen and Wivel (2012: 9–16).
10 As one analyst noted of the first few years after the Rose Revolution, 'Tbilisi's overarching strategy seems quite coherent in retrospect. Tbilisi's understanding was that the status quo prevailing since the early 1990s needed to be altered, should the conflicts ever approach solutions' (Nilsson 2009: 94).
11 The democracy score for Moldova was 5 in 2008 and 4.89 in 2012; for Georgia, the score was 4.79 in 2008 and 4.82 in 2012. The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. See, www.freedomhouse.org/sites/default/files/2012%20%20NIT%20Tables.pdf (accessed accessed 23 August 2012); www.freedomhouse.org/report/nations-transit/2008/Moldova (accessed accessed 23 August 2012); and www.freedomhouse.org/report/nations-transit/2008/Georgia (accessed 23 August 2012). The Democracy Score (DS) is an average of ratings for Electoral Process (EP); Civil Society (CS); Independent Media (IM); National Democratic Governance (NGOV); Local Democratic Governance (LGOV); Judicial Framework and Independence (JFI); and Corruption (CO).
12 Moldova's ratings in 2007 compared with 2012 were as follows: civil society (CV) 3.75 vs. 3.5; independent media (IM) 5.25 vs 5.0; national democratic governance (NDG) 5.75 vs. 5.50. Georgia's ratings in 2007 compared with 2012: CS 3.50 vs. 3.75; IM 4.0 vs. 4.25; NDG 5.50 vs. 5.75. See: www.freedomhouse.org/report/nations-transit/2007/Moldova (accessed 23 August 2012); www.freedomhouse.org/report/nations-transit/2007/Georgia (accessed 23 August 2012).
13 Memorandum signed at a meeting between Chancellor Angela Merkel and President Dmitri Medvedev on 4 and 5 June 2010 in Meseberg, Germany. It proposed a joint approach by the EU and Russia to resolve the conflict, including the setting up of a joint Political and Security Committee (EU-R-PSC) at minister level. Transnistria thereby became a test-case for future EU cooperation with Russia.
14 See Sørensen (2001) for the general distinction.

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10 The security of the European micro-states

Archie W. Simpson

> It is apparent that the token of success of the European micro-states has so far been their ability to neutralise the limitations stemming from their distinctive geographic, social and economic attributes, and to turn these potentially negative characteristics to their advantage in the international playing field.
>
> (Dózsa 2008: 95)

Introduction

The study of the European micro-states is unfamiliar to many scholars and students of international relations because the former are very small, have very little power, offer no significant threat to others and are often viewed as being somewhat anachronistic. The micro-states are usually seen as being insignificant members of the international community because of their diminutive size and are often overlooked as objects of serious study. However, upon a closer look they are quite fascinating and offer new insights into international politics. To illustrate this takes a few interesting facts: San Marino is the oldest Republic in the world with a history stretching back to 301 AD; the tiny Pyrenean state of Andorra has two heads of state, namely the President of France and the Bishop of Urgell; Monaco has the world's highest population density due to its urban setting; and the smallest state in the world is the Vatican City State, which coincidently, is also host to the world's biggest institution, the Roman Catholic Church, with between 1.3 and two billion followers. There is much to be gleaned by exploring the European micro-states and this chapter will highlight some of the security issues associated with these very small polities.

Using a simple population threshold of one million people allows 44 sovereign micro-states[1] to be identified in the international community and ten of these are in Europe. They are Andorra, Cyprus, Iceland, Liechtenstein, Luxembourg, Malta, Monaco, Montenegro, San Marino and the Vatican City State (sometimes also referred to as the Holy See). Each has a distinct security dilemma, unique history and engagement with international politics. As discussed in Chapter 1, using absolute criteria in defining states by their size is highly problematic and can be contested; there is no consensus concerning what constitutes a 'small state' or indeed a 'micro-state'. The European micro-states have *very little* power in the international system, have very narrow policy

options, fewer interests, have little say in international politics and are consequently vulnerable to outside pressures. Additionally, the micro-states are *always* the weaker party in any asymmetric relationship with other states – with the possible exception of the Vatican, depending on the issue at hand. Nairn (1997) suggests that the small 'scale' of the micro-states undermines their capacity to act in international politics.

The European micro-states are a disparate collection of states, as some are islands, some are landlocked, some are former colonies, some have existed for centuries, many are democracies, while some are not true democracies. For all, however, their smallness in size permeates into all aspects of politics, both domestically and in terms of foreign policy and economic policy. The smallness of the micro-states limits them in terms of capabilities, restricts policy options, reduces diplomatic representation, increases their vulnerabilities especially economically, and places particular pressures on their national security.

This chapter will first address definitional issues, including some problems and criteria used in defining micro-states. It will then give brief descriptions of the European micro-states, in order to establish who they are. The main common characteristics and key features of micro-states will be identified, including the varying levels of democracy. The chapter will then run through some relevant issues relating to micro-state security, including military issues, other security topics and economic strategies.

Definitions

As stressed in Chapter 1, and as Maass writes, 'no consensus-definition of the small state has yet emerged, despite an abundance of characterizations, rationales and proposed definitions' (2009: 65). Aside from the many quantitative, qualitative and subjective features proposed by various authors, defining small states or micro-states inherently involves a relative dynamic: *State A* is small when compared to *State B*, as discussed in Chapter 1. This means that 'ultimately a judgmental element must creep into the exercise of categorising states by size' (Archer and Nugent, 2002: 5). Moreover, the question of definition is sometimes complicated by the language used. A number of terms including 'small states', 'small nations', 'weak states', 'small powers', 'minor powers' and 'small countries' are commonly found in literature and may be used interchangeably by scholars and decision-makers. Yet, these terms may have different connotations and clarity is important, not least when distinguishing small states from micro-states. Correctly expressed, micro-states are a sub-field of small state studies; they are, in simple terms, *very* small states.

Whilst there is no agreed consensus as to what constitutes a 'small state', there is a greater amount of agreement among scholars regarding the definition of 'micro-states'. The Scandinavian political scientist, Dag Anckar (1998, 2002, and 2004) argues that the usual criterion for defining micro-states is a population of less than one million people. Others who have used this yardstick include Harden (1985), Sutton and Payne (1993), Warrington (1994),

Christopher (2002) and Simpson (2008). There are, however, other competing definitions including that of Ali Naseer Mohamed (2002), who suggests that 1.5 million people is the threshold; Plischke (1977), who suggests that micro-states have populations of under 100,000 or between 100,000 and 300,000; and Armstrong and Read (1995; 2003; also Armstrong *et al*., 1998), who define micro-states as having populations of three million or less. Plischke (1977) suggested that membership of the United Nations (UN) was also important in the definition of micro-states. When he wrote this, a number of European micro-states, specifically Andorra, San Marino and Monaco, were excluded from his list as they were not UN member states; but since the end of the Cold War all three have joined the UN. Wivel and Oest argue that micro-states are, 'permanently stuck as the weak party in asymmetric relationships internationally and therefore forced to adopt strategies that cope with the permanency of their weakness' (Wivel and Oest 2010: 434).

For the purpose of this chapter, three criteria will be used to define micro-states. The first is that they are sovereign: namely, they fulfil the criteria of legal statehood as established by the 1933 Montevideo Convention on the Rights and Duties of States. Article 1 of the Convention sets down four criteria:

> The state as a person of international law should possess the following qualifications: a) a permanent population; b) a defined territory; c) government; and d) capacity to enter into relations with the other states.
> (1933 Montevideo Convention of the Rights and Duties of States, Article 1)

There are a myriad of non-sovereign polities (or non-self-governing territories as the United Nations describes them) around the globe and in Europe, including Gibraltar, disputed territories such as Northern Cyprus or Transnistria, Mount Athos in Greece, and dependencies such as the Isle of Man or the Channel Islands. These territories are small but are not recognized widely as being sovereign states.

The second criterion follows from statehood: being a member of the United Nations. With South Sudan joining the UN in 2011, there are now 193 member states (United Nations 2012a). Membership of the UN codifies and reinforces the status of statehood and is also important in terms of being recognized by the international community. The Vatican City is the smallest sovereign state in the world, both in terms of population and territorial size, and it has 'observer status'[2] at the UN. Whilst this is not full membership per se, it does – for all practical purposes – denote membership, and allows the Vatican City to be included as a European micro-state throughout this chapter.

The third criterion relates to population. A micro-state is here defined as having a population of one million people or less, following the practice of Anckar (1998, 2002 and 2004), Warrington (1994) and Christopher (2002), among others. As noted, this relatively simple and arbitrary threshold produces 44 micro-states around the world in 2013, including the likes of the Bahamas, Cape Verde, Fiji, the Maldives and Swaziland,[3] and ten micro-states in Europe.

Who are the micro-states of Europe?

The ten European micro-states currently include two islands in the Mediterranean (Cyprus and Malta); two mountainous states (Andorra and Liechtenstein); one island state in the North Atlantic (Iceland); a founding member of the European Union (Luxembourg); one theocracy (Vatican City); one state in the Balkans (Montenegro); the world's oldest republic (San Marino); and one glamorous Principality (Monaco) famed for its casinos. Eccardt writes, 'few people know much about microstates, though millions visit them each year' (Eccardt, 2005: 1). Each micro-state has its own singular feature(s) that help attract tourism and distinguish them beside their larger neighbours.

Andorra lies in the Pyrenean Mountains between France and Spain and is a well-known destination for skiers, though it also has a small tobacco-growing industry. This tiny state has also become a tax haven in order to attract rich residents and tourists; it has been estimated that ten million people visit each year, partly for the duty-free goods available (BBC 2012). Nairn calls Andorra 'a glorified duty-free emporium at the bottom of a ski-slope' (Nairn 1997: 137). This democratic co-Principality has a parliament of 28 members, who are elected every four years. Given its small population of around 85,000 and geographic location, Andorra has chosen to establish economic ties to the European Union (EU), including use of the euro currency, though it is not a member state. During both the Spanish civil war and World War II, Andorra declared neutrality as a means of guaranteeing its own security. However, both France and Spain also have treaty obligations (Bartmann, 2002: 369–370) to support Andorran sovereignty and security.

Cyprus is an island state and former British colony in the Eastern Mediterranean, with a population almost reaching one million. In 1974, fearing a coup orchestrated in Athens, Turkey invaded and the island has been divided ever since. Northern Cyprus declared independence in 1983, but this was only recognized by Turkey. Since the invasion, UN peacekeepers have patrolled the disputed border and kept the peace. In 2004, Cyprus joined the EU and it was thought that this could provide a platform for unification; but following referendums in Cyprus and in the North, this has yet to happen. The Cyprus economy is largely based on agriculture, tourism, some industry (quarrying) and some service industries, including online gambling.

Iceland is known as the *land of fire and ice* and was the second micro-state to join the UN in 1946. It lies in the North Atlantic and is on the boundary between the North American and Eurasian tectonic plates, which means earthquakes are common occurrences and the landscape is full of volcanoes. The Icelandic Parliament, or Alþingi (All-thing), has 63 members and dates back to AD 930, making it one of the oldest parliaments in Europe. In the late 1940s, Iceland joined the North Atlantic Treaty Organization (NATO) and adopted an Atlanticist outlook. Iceland is famed for its fishing, which accounted for much of its economic development and growth, though in the past two decades it has diversified into aluminium production, tourism, banking and green energy. With the

financial collapse of 2008, Iceland was essentially made bankrupt due to the over-stretching of its banking sector. Since 2008, Iceland has seen the rise of new political parties, proposals for a new constitution have been drawn up and it has applied for EU membership.

The landlocked Principality of Liechtenstein is located in the mountain slopes of the Rhine Valley, between Switzerland and Austria. Its small size of 160 km^2 or 61.8 $miles^2$, and small population of around 35,000 people, encouraged it to become a tax haven in the post-war years, though there is some farming and some industry (dental products). The micro-state is officially neutral and uses Swiss francs as currency. Liechtenstein joined the UN in 1990. In recent times its banking sector has been criticized by the OECD for a lack of transparency; there are around 10–15 banks located in the Principality and many wealthy people from around the world have accounts based there. There are estimates that around 5,000 British citizens hold accounts worth billions of pounds in Liechtenstein bank accounts (www.guardian.co.uk/business/2009/aug/11/tax-havens-liechtenstein, accessed 25 November 2013). High levels of bank secrecy, coupled with low tax levels, have led to allegations of money-laundering by terrorists, criminals and those avoiding taxation, which are embarrassing for the Principality, especially as many of the banks are owned by the Royal family.

The Grand Duchy of Luxembourg is located in the heart of Western Europe and borders upon Belgium, France and Germany. With iron ore deposits found in the 1840s, Luxembourg quickly became a major steel producer throughout the Industrial Revolution, which created great wealth and prosperity. By 1913 the Grand Duchy was the sixth largest producer of pig iron and the world's fourth largest steel exporter (Strikwerda 1993: 1114–1115). Luxembourg is a founding member of many international organizations, including the UN, EU, NATO, WTO, IMF and World Bank. Some key institutions of the EU are located in Luxembourg, including the European Court of Justice, the Court of Auditors and the EU's Official Publications office (Hey 2003: 78). Like other micro-states in Europe, Luxembourg has a thriving banking sector and low-tax economy that attracts investments from around Europe. With its location, industrial history, banking industry and its hosting of EU institutions, Luxembourg is an exceptionally wealthy micro-state.

The island of Malta, like Cyprus, was a British colony and gained its independence in 1964. Malta has a long history going back to ancient times and has been occupied by the Phoenicians, Greeks, Romans, the Knights of St John and the British. Turnout in Maltese elections is usually very high and there is a strong two-party system in operation, involving the Labour Party and the Nationalist Party. Malta relies largely on tourism but also has a shipbuilding industry, and its location in the Eastern Mediterranean made it ideal as a trading nation. Malta joined the EU in 2004 and the Eurozone in 2008. Since joining the EU, there has been an influx of immigration, largely from North Africa, which has created some local problems. During the NATO intervention in Libya in 2011–2012, many Libyans sought refuge in Malta.

The Principality of Monaco is located on the French Riviera and is often portrayed as a playground for the rich and wealthy. Monaco is famed for its casinos, its annual Formula One race, banking secrecy, and for the ruling Grimaldi family. Monaco relies a great deal on the French for the collection of certain taxes (VAT or indirect sales tax), defence (Monaco has no army), provision of civil servants and judges and utilities such as water and rail networks. However, it has its own small National Council of 24 members, which can be dismissed by the Prince of Monaco; is a UN member; and uses the euro currency. It has a constitutional monarchy and the current Prince is Albert II. In the early 2000s, the French Parliament was highly critical of Monaco for its banking practices (see p. 179) and a long-standing bilateral treaty was consequently re-written. Under the provisions of the old treaty, Monaco would become French if there were no male heir; but under the new terms, the Monaco Royal family can now adopt a successor to maintain its sovereign independence. Of the 30,000 residents, only about 6,000 are Monacan citizens; the rest are wealthy residents.

Montenegro was part of the Former Republic of Yugoslavia (FRY), but is now Europe's newest micro-state. It joined Yugoslavia under the Treaty of Versailles in 1919 and became independent in 2006 by way of a referendum. Montenegro lies on the Adriatic, has borders with Bosnia and Herzegovina, Serbia and Kosovo, and has long-term aspirations to join the EU and NATO. Around one-third of the population are ethnic Serbs out of a population of around 632,000 and there are some underlying political tensions relating to national identity and the violent fragmentation of FRY in the 1990s. Montenegro has a unicameral parliament of 81 members, is a member of the UN and has a multi-party system. It is trying to encourage tourism and investment by presenting itself as 'the pearl of the Mediterranean' (www.visit-montenegro.com/, accessed 25 November 2013), but a key export is aluminium.

San Marino is located in the northeast of Italy, was established in AD 301 and has a singular political system. San Marino does not have a written constitution and formally became democratic in 1906 (Sundhaussen 2003: 214), when elections were first held. At *arringo* meetings held twice a year, the two Captains Regent are appointed. These are the Heads of State/Head of Government and hold power alongside the Grand and General Council, a 60-member parliament. Kohr writes, 'they choose two consuls every six months with the result that practically every citizen functions at some time during his life as his country's chief of state' (2001: 113). Bartmann writes, 'San Marino is responsible for its own security. A steadfast commitment to a policy of neutrality was maintained throughout the Second World War' (2002: 369). Today the micro-state has no formal military capabilities, but as it is totally surrounded by Italy, it might be argued that both Italy and, by extension, NATO help to defend it.

The Vatican City State was formally established in 1929 by the Lateran Treaty with Italy, though clearly its history dates back many centuries. Eccardt writes, '[the] Vatican city may be the most unusual country in the world' (Eccardt 2005: 299). The Vatican occupies an area of 0.44^2 km or 44 hectares (roughly 100 acres) and has a population of less than a thousand citizens.

However, there are about 4,000 people who live in Rome and work in the Vatican, which exempts them from Italian income tax. The Pope is Head of State and Head of Government and is leader of about 1.3 to two billion Roman Catholics globally, thus wielding enormous [soft] power and respect in world affairs. The Pope is elected for life[4] by a conclave, which is essentially all the Cardinals of the Catholic Church under the age of 80; this is the only form of democracy in the Vatican. As the Vatican (or Holy See) is host to the Roman Catholic religion, it adopts a neutral position in international politics with which full UN membership is seen as incompatible;[5] thus its UN status is that of an 'observer' (United Nations 2012c). While not an EU member state, the Vatican uses the euro as its official currency.

Characteristics of micro-states

The micro-states of Europe are very small, both in terms of territory and in terms of population. They thus have few natural resources (except in a few cases), smaller working populations, smaller domestic markets, small governments and small bureaucracies. Smallness permeates into all aspects of public life and politics. For example, unicameral parliaments are the norm for the European micro-states, with Andorra having 28 parliamentary representatives and Montenegro having 81 (see table 10.1). Governments are often also small, with Liechtenstein having a government of five members (plus the Prince) and Iceland ten members (plus the President).

The political and economic elites of the micro-states know each other well, as there are so few of them. In the Principalities of Liechtenstein and Monaco, this is particularly true. The Royal family in Liechtenstein owns many of the banks

Table 10.1 Size of micro-state parliaments in Europe

	Parliament (members)	*Type of government*
Andorra	28	Co-Principality/democratic
Cyprus	56	Republic/democratic
Iceland	63	Republic/democratic
Liechtenstein	25	Principality/semi-democratic
Luxembourg	60	Grand Duchy/democratic
Malta	65	Republic/democratic
Monaco	24	Principality/democratic
Montenegro	81	Republic/democratic
San Marino	60	Republic/democratic
Vatican City	–	Theocracy/non-democratic

Sources: Various, including BBC, *CIA World Factbook*, and national websites (all accessed in 2012).

Notes
Andorra has two heads of state; Liechtenstein underwent constitutional changes in 2002 giving the Prince wider powers to dismiss parliament and government; in Montenegro an MP shall be elected for every 6,000 voters; and the only voting in the Vatican is via a conclave to elect a new Pope.

that provide the Principality's main source of wealth and prosperity; and the Prince of Monaco owns much of Monaco. A small, ruling elite usually means improved communications, fewer political barriers and less bureaucratic wrangling. However, it may also lead towards incestuous and dysfunctional politics, as perhaps illustrated by the banking collapse in Iceland in 2008, in which bankers and politicians were too closely aligned. For Dag Anckar (2003), the smallness of the micro-states also contributes to a tendency towards democracy. However, it could also be said that many of the micro-states in Europe have anachronistic political institutions, such as San Marino with its selection of its two Captains Regent every six months; the dominance of the Prince in Liechtenstein politics; and the unique position – and indeed election – of the Pope in the Vatican City.

The smallness of micro-states usually means greater homogeneity in terms of national identity and ethnicity. While citizenship in the Vatican is uniquely based on profession rather than national identity and some micro-states such as Andorra and Monaco have more non-citizens than citizens in residence, national identity in the micro-states is important both in terms of societal security and in affirming democracy. The only problematic micro-state in this regard is Cyprus. Since the 1970s, the island has been divided, with Turkish Cypriots in the northern third of the island and Greek Cypriots in the rest. The Cyprus problem is a long-standing issue in European politics, and has not been solved by the Republic of Cyprus' EU membership, for which the UN has sought various solutions over decades, including the Annan Plan (UN 2004). As Sepos writes, this plan:

> … foresaw the evolution of the Cyprus Republic into the United Republic of Cyprus, with a different name, flag, and national anthem. Borrowing heavily from the Swiss and Belgian federal models, it proposed the construction of a common state with a single sovereignty, consisting of Greek-Cypriot and Turkish-Cypriot component states, with their own legislative and executive powers.
>
> (Sepos 2008: 30)

While there has been a greater political dialogue between Cyprus and northern Cyprus since the start of the millennium, the prospect of unifying the island remains problematic.

The European micro-states have very little power globally or even within Europe, with the Vatican City providing a certain exception to the rule. They do occasionally become the subject of international debate and concern,[6] as in Cyprus' case, but for the most part the micro-states remain largely insignificant actors. Sometimes, they make material contributions to international developments such as Luxembourg's role in shaping the EU from its foundation onwards. As another example, in the late 1960s, the Maltese UN Ambassador, Arvid Pardo, played a crucial role in introducing concepts and policies designating the seas and seabed as part of the 'common heritage of mankind', which were incorporated into international law by 1982. Thus while limited in terms

of power and influence, as sovereign actors the micro-states have some ability to affect international relations, often through membership of international organizations.

Many of the European micro-states are wealthy, but they also rely on neighbouring states for various forms of economic sustenance, such as imports of foods and fuels and utilities like water and electricity. Thorhallsson (2011; see also Alesina and Spolaore 2005) argues that small states need political and economic 'shelter' from larger states and/or institutions in order to survive in the globalized world, and this may be particularly true for micro-states.

Since the financial crash of 2008, some micro-states have suffered serious economic worries highlighting their vulnerability when combined with risky policy choices – most notably, Cyprus and Iceland. Some others, such as Andorra, Liechtenstein, Luxembourg and Monaco, have become tax havens or offshore financial centres to encourage both investments and wealthy residents. These micro-states have many banks and financial services that attract billions of dollars worth of investments (on which more below). The Vatican has enormous wealth, much of it coming from donations by people across the world, but also from property and banking. As the Vatican does not publish economic data, there is much speculation about its wealth. One British newspaper, the *Daily Telegraph*, reports that the Vatican has property investments worth up to €700 billion (*Daily Telegraph* 2011) and in addition, it has priceless artefacts and works of art.

Luxembourg as a capital city of the EU in the heart of Western Europe, has gained a high level of economic stability and wealth. As seen in Table 10.2, it is noticeable that only Iceland maintains its own national currency, and debates there since 2008 on EU membership have largely focused on whether to join the

Table 10.2 Selected economic data of the European micro-states

	Unit of currency	*GDP per capita (ppp) US$/£ 2011 estimates*	*Exports estimates, US$/£ (year)*
Andorra	Euro	$37,200	$70 million (2011)
Cyprus	Euro	$26,290	$7.716 billion (2012)
Iceland	Krona	$38,700	$5.1 billion (2012)
Liechtenstein	Swiss Francs	$89,000 (2012 data)	£3.325 billion (2010)
Luxembourg	Euro	$81,900	$15.5 billion (2012)
Malta	Euro	$26,000	$3.67 billion (2012)
Monaco	Euro	$63,000 (2009 data)	$711 million (2010)
Montenegro	Euro	$11,700	$640 million (2011)
San Marino	Euro	£36,200 (2009 data)	$2.576 billion (2010)
Vatican City	Euro	–	–

Source: CIA World Factbook (www.cia.gov/library/publications/the-world-factbook/wfbExt/region_eur.html, accessed 15 October 2012).

Notes
GDP Per capita (ppp) indicates total GDP on a purchasing power parity basis, divided by population as of[1] 1 July for the given year.

euro or not. During the twentieth century, Iceland benefited from fish, clean energy and (at least before 2008) very low levels of unemployment. The micro-states also rely heavily upon tourism to generate income. Each with its own unique landscape, traditions and history, they are able to sell themselves as idyllic locations for vacations. Andorra has skiing and attracts around ten million visitors each year, many taking advantage of duty-free products, and many on day trips from neighbouring Spain. Monaco presents itself as a glamorous locale with casinos; Cyprus and Malta compete for tourists seeking Mediterranean sunshine; Iceland has epic scenery, many outdoor pursuits and volcanoes; and if you have $70,000 you can hire Liechtenstein for a night (Sinmaz 2011). Thus the different micro-states have adopted different economic strategies for survival, while striving – within the constraints of smallness – to diversify the economic base as much as possible. The evolution of the internet and online enterprises has helped, with online casinos and banks being based in many of the micro-states including Malta, Iceland, Liechtenstein and Luxembourg.[7]

Military issues and solutions

The smallness of the micro-states makes them inherently weak and vulnerable, especially in military terms. Indeed many of the micro-states in Europe do not have military capabilities and have special arrangements to safeguard their security. Barry Bartmann suggests that Andorra, Iceland, Liechtenstein, Monaco and San Marino are, 'constabulary microstates with police and coastguard units but no formal military establishment' (Bartmann 2002: 369). The Vatican City has the 'Swiss Guard', but has adopted a policy of neutrality and, given its location, essentially relies on Italian defence forces. Bailes and Gylfason write, 'Iceland has never created its own armed forces and is likely never to create them' (Bailes and Gylfason 2009: 149). Iceland and Luxembourg are, however, members of NATO, which guarantees their military security, while Liechtenstein is a neutral state surrounded by two other neutral states, namely Switzerland and Austria. Andorra and Monaco have security guarantees from their larger neighbouring states; France is responsible for the defence of Monaco; while both France and Spain are responsible for the defence of Andorra.[8] These are historic arrangements that evolved because of the size, location and vulnerability of the micro-states. The irrelevance of any (military) threat from such states towards their neighbours helps explain their lack of armed forces, as it disposes of most reasons for their larger neighbour(s) to threaten them either. Since the end of World War II and the creation of the UN, the consolidation of international law and the ideals of collective security also offer some guarantees for micro-states.

Some micro-states in Europe do have armed forces: the Republic of Cyprus had a military budget of around US$550 million in 2010, with an army consisting of 10,000 national guard and a further 50,000 reservists, plus a maritime wing of 300 personnel (European Defence Information 2012). The Cyprus problem is a sufficient explanation of why the Republic has armed forces;

further, UN peacekeepers remain deployed there and there are two British military bases on the island. Malta has modest armed forces numbering around 2,000, including maritime personnel (Armed Forces of Malta 2012); and Montenegro is applying to join NATO via the Membership Action Plan (MAP) process.[9] The Balkan micro-state has less than 10,000 military personnel and abolished conscription in 2006.

Security issues and solutions

While offering no real threat in themselves, micro-states may possess strategic value by virtue of location. During the Cold War, Iceland was of great strategic importance for NATO due to its position in the North Atlantic GIUK (Greenland, Iceland, United Kingdom) gap, where Soviet naval activities were closely monitored. Since the end of the Cold War, this has become less important. Luxembourg's central location meant that the Germans invaded in 1914[10] and in 1940, on the way to attack France and the other Low Countries. After 1945, Luxembourg entered NATO partly to avoid its geographical position leading to further conquest, and as part of the general dynamics of post-war security architecture (see Table 10.3). Both Cyprus and Malta, as Mediterranean islands, were important to the British Empire and, as noted, the UK still has bases in the former. The examples of Andorra, Liechtenstein[11] and perhaps San Marino, with their less than strategic locations, prove the rule as they have not been involved in any serious wars since the nineteenth century.

Just as for 'small' states, membership of international organizations like the UN, NATO and the EU can play a crucial part in multi-functional security solutions for the European micro-states. Supremely exposed as they are to external

Table 10.3 Membership of international organizations (with date of first membership)

	UN	*EU*	*NATO*	*OSCE*	*CoE (Council of Europe)*
Andorra	1993	–	–	Yes	1994
Cyprus	1960	2005	–	Yes	1961
Iceland	1946	–	1949	Yes	1950
Liechtenstein	1990	–	–	Yes	1978
Luxembourg	1945	1956	1949	Yes	1949
Malta	1964	2005	–	Yes	1965
Monaco	1993	–	–	Yes	2004
Montenegro	2006	–	–	Yes	2007
San Marino	1992	–	–	Yes	1988
Vatican City	observer	–	–	Yes	–

Sources: www.un.org; www.nato.int; http://europa.eu/about-eu/countries/index_en.htm; www.osce.org/who/83; http://hub.coe.int/web/coe-portal (data correct as of November 2012).

Notes
Andorra, Monaco, San Marino and the Vatican City are part of the Eurozone; Iceland applied for EU membership in 2009 and is part of the Schengen Agreement and the European Economic Area (EEA). Montenegro is currently an applicant state for EU membership.

pressures, changes in global economic trends, environmental challenges and cultural influences as well as domestic disruption, these very small entities may be interpreted as using organizations for 'shelter' (Thorhallsson 2011) and/or for bandwaggoning (see Reiter in Ingebritsen *et al*. 2006: 239–240). Membership of international organizations offers them new channels of diplomacy, greater security guarantees under international law and closer relations with other states in Europe or beyond; while, in the case of NATO membership, Article 5 places them under the protection of the US nuclear umbrella. Since the end of the Cold War in the late 1980s, the security architecture of Europe has evolved towards an even denser network of multilateral organizations in Europe, whether economic, political or military, which reinforce the idea of collective security and active security cooperation.

While the European micro-states are not necessarily members of all European regional and sub-regional organizations, all of them belong to at least one organization providing a certain level of security or, at least, a forum to raise their security concerns. Besides the institutions in Table 10.3, other groupings such as the Nordic Council, Benelux, the British Commonwealth, EFTA and the Council of Baltic Sea States include various numbers of these states.

The non-military security issues facing micro-states are shared with most other states: for instance climate change, societal issues due to patterns of migration and demographic changes, trends in global markets, international crime and the threat of pandemics. Consequently, good governance becomes an essential element in developing resilience, fostering economic stability, encouraging national identity and developing good relations with other, larger neighbours. This does not always occur, as illustrated by the economic crisis in Iceland or the division of Cyprus since the early 1970s. For most micro-states in Europe, the important security issue lies in developing resilience in governance and in economic development.

Economic strategies

The inherent economic vulnerabilities of the micro-states in Europe have encouraged various economic strategies. There are some benefits in smallness for the micro-states, including the ability to be flexible in building a market share in niche areas like banking, communications or tourism. Yet there is always some dependence on neighbouring states for key economic inputs, especially for the island micro-states, while all micro-states are limited in natural resources. As already seen, EU membership has been particularly important for some of them as a way to encourage investment, gain access to larger markets and benefit from policies such as the Common Agricultural Policy (CAP) and regional funds. As a founding member of the European Community in 1956 and member of the European Coal and Steel Community since 1951–1952, Luxembourg has gained great economic benefit, building on steel and its central location to achieve the EU's highest GDP per capita. The two other micro-state members of the EU, Cyprus and Malta, both joined for largely economic reasons. The free movement

of people, goods, capital and services within the EU allows them to attract new investments, encourage further tourism and gain assistance on issues like water quality and management. The EU has reportedly invested €151.5 million in the Maltese road system since 2004 (Camilleri 2011), a significant amount for a small island. For Cyprus, EU funds are important but membership might also ease the long-term prospect of unity with the North.

Andorra, Monaco, San Marino and the Vatican[12] all use the euro despite not being EU members. This is partly for historical reasons: before the euro both San Marino and the Vatican used the Italian lira, while Monaco used the French franc, and Andorra used both the French currency and the Spanish peseta. However, it is also a practical device since having a separate currency is quite an expensive aspect of economics. By participating in a currency union with other – and stronger, larger – economies, the micro-states can free-ride and gain economic protection as well as benefits. Liechtenstein uses the Swiss franc for similar reasons.

As already seen, several micro-states have adopted the more controversial economic strategy of becoming 'offshore' financial centres – also known as tax havens. For Drezner (2001) the micro-states have 'sold' their sovereignty by making this choice, and states like Andorra, Liechtenstein and Monaco have been heavily criticized for it by the OECD. Certain EU member states, like Malta and Luxembourg, have also adopted tax haven status in order to attract investment. Palan writes,

> In one form or another, practically every country in the world offers some sort of haven from taxation and regulation for residents … what distinguishes tax havens … is that they explicitly aim to take advantage of a competitive position by offering reduced regulation or capital tax.
>
> (Palan and Abbot 1999: 169)

In essence, these micro-states adopt low levels of taxation, low levels of financial regulation and high levels of secrecy over financial matters. On the one hand, this can be viewed as a clear and successful economic strategy to attract inward investment. It could also be argued that the size of the micro-states deprives them of options like mass manufacturing or agricultural production, while tax haven status needs no special resources. However, tax havens – especially if weakly regulated – can help tax evaders, criminals and (possibly) terrorists, in hiding their finances. Large multinational corporations often open accounts in states like Luxembourg or Monaco in order to offset profits and thus pay less taxation in the states, where their profits are made. In an era of instantaneous capital transfers through the use of computers and the internet, moving money to offshore financial centres becomes increasingly easier and more efficient, but also more subject to abuse.[13]

Palan (2002: 155) identifies a number of European micro-states and other small territories as offshore financial centres: Andorra, Cyprus, Liechtenstein, Luxembourg, Malta and Monaco; and Gibraltar, Guernsey, Sark, Isle of Man,

Jersey and Madeira. The low-tax regime in many micro-states attracts wealthy residents – many people who live in Monaco and Andorra are multimillionaires – which brings other, knock-on economic advantages. States like Andorra, Monaco, Liechtenstein and Luxembourg, that have followed such strategies, have been able to attract billions of dollars, pounds and euros into their economies in consequence. Palan (2002) reports that, according to some estimates, 'more than half of the world's stock of money passes through these tax havens[14] … it is estimated that about 20 per cent of total private wealth … are invested offshore' (Palan 2002: 156).

Conclusion

The inherent smallness of the European micro-states makes them vulnerable to outside pressures. However, they have developed a series of strategies to ensure that they are economically viable and have the minimal capabilities of statehood. For some micro-states, this means becoming offshore financial centres; for others it means participation in European integration; but all rely on an open economy to trade with the world and encourage inward investments. The development of international law throughout the twentieth century and international organizations such as the United Nations, European Union and NATO, coupled with friendly relations with neighbours, have guaranteed the survival of these Lilliputian states. Smallness also contributes to micro-state security by making them less threatening to others, by limiting the resources that others might want to take from them and by making them strategically insignificant. By being good neighbours to larger states, micro-states usually manage to avoid conflict – though with notable exceptions such as the Cod Wars between Iceland and Britain, as well as Cyprus' fate. Domestic factors such as democracy, national identity, good governance and economic viability are also essential elements in the security of the European micro-states. In the end, economics is probably the central security issue for these entities as it underpins their viability as states, contributes to government capabilities and ensures domestic economic security for their people.

Notes

1 A dictionary definition of 'micro' means 'extremely small', 'minute in scope or capability' and it also means importantly, 'a millionth' (http://dictionary.reference.com/browse/micro?s=t, accessed 25 November 2013).
2 Palestine was granted 'non-member Observer status' at the United Nations in November 2012 through a vote of the General Assembly (United Nations 2012b).
3 The microstates are, in alphabetical order, Andorra, Antigua and Barbuda, Bahamas, Bahrain, Barbados, Belize, Brunei, Cape Verde, Comoros, Cook Islands, Cyprus, Djibouti, Dominica, East Timor, Equatorial Guinea, Fiji, Grenada, Guyana, Iceland, Kiribati, Liechtenstein, Luxembourg, Maldives, Malta, Marshall Islands, Micronesia, Monaco, Montenegro, Nauru, Qatar, St Kitts and St Nevis, St Lucia, St Vincent, Samoa, San Marino, Sao Tome and Principe, Seychelles, Solomon Islands, Surinam, Swaziland, Tonga, Tuvalu, Vanuatu and Vatican City State. The Cook Islands are represented in the UN by New Zealand and the Vatican City has 'observer status' at the UN.

4 In February 2013, Pope Benedict XVI announced his intention to resign: an action unprecedented in modern history since Pope Gregory XII resigned in 1415.
5 This has been contested on occasions due to the outlook and attitude of the Vatican on issues such as contraception, women's rights, religious freedom, and various health issues such as HIV/AIDS.
6 See (Quester 1983) for more on this.
7 On post-modern economic options for small spaces, see Chapter 14 in this volume.
8 Andorra was neutral during both World Wars and throughout the Spanish civil war of the 1930s.
9 In 1999, NATO launched the MAP scheme to assist countries wishing to join the Alliance in their preparations by providing advice, assistance and practical support on all membership requirements.
10 In 1914, Luxembourg was occupied by the Germans in violation of its neutral position.
11 Throughout both World Wars, Liechtenstein adopted a neutral position. However, it was bombed by Allied forces during World War II, partly because of its geographic position next to Austria and partly because the Allies did not fully accept its neutrality. After the war, around 500 Soviet troops defected to Liechtenstein from Austria and were granted asylum. Many, around 300, returned to the Soviet Union later.
12 The Vatican's use of the euro makes this the first time since the dissolution of the Holy Roman Empire in 1806 (Bobbit 2002: 559) that coins with an image of the Pope have been in circulation in continental Europe.
13 In 2000, French parliamentarians published reports into various tax havens in Europe, including Monaco, alleging that the authorities in Monaco were complicit in aiding criminals, terrorists and tax evaders. While France collects VAT for the Principality, amounting to around £170 million per annum, the MPs claimed that Monegasque banking secrecy helped to hide 'hot money' (Assemblée Nationale 2000).
14 This includes other global tax havens outside Europe.

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Part III

Comparative insights

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11 Botswana as a small developmental state

Ian Taylor

Introduction: the developmental conundrum

At independence in 1966, the population of Botswana was just over half a million people, living in a country the size of France. The country had only four miles of paved roads, nine secondary schools, and the capital had to be relocated from Mafeking (remaining in South Africa) to Gaborone to place it inside the actual borders of the new nation. Botswana was then among the 25 poorest and least-developed countries in the world. Surrounded by hostile, minority-ruled states, the small state was hardly a candidate for anything other than failure; yet its relative success has confounded predictions. This chapter seeks to understand why.

For Africa, the various international financial institutions have argued that African states, particularly small African states, lack the capacity to pursue policies similar to the developmental states of East Asia, whilst being far too susceptible to vested interests in the political realm. Supporters of this view, known as the 'impossibility thesis', claimed that African states that remained in the business of guiding development threatened to bring disaster, and must be reined in by Structural Adjustment Progrmmes (SAPs). Whilst recognizing the problematic nature of many African state formations, the consequent pressure for across-the-board liberalization and state rollback has been similarly dubious. It is extremely important today to challenge the thesis that state involvement inexorably leads to economic decline and that a developmental orientation in Africa is impossible – even for small countries such as Botswana.

Botswana as a developmental state

Botswana is famed for its diamond resources and it is true that the revenues from diamond extraction have powered the country's growth. However, an abundance of mineral wealth on its own explains nothing in looking at Botswana's success: as the case of Sierra Leone demonstrates, natural resources may in fact sabotage nation-building and development. As Leith (2000: 4) writes, 'the growth of the Botswana economy is not simply a story of a mineral enclave with an ever growing government, attached to a stagnating traditional economy'.

There is, of course, a major problem in defining a developmental state simply from its economic performance. Not all countries with good growth rates are developmental states. As Mkandawire (1998: 2) remarks:

> the definition of the 'developmental state' runs the risk of being tautological since evidence that the state is developmental is often drawn deductively from the performance of the economy. This produces a definition of a state as developmental if the economy is developing, and equates economic success to state strength while measuring the latter by the presumed outcomes of its policies.

Referring to Africa specifically, Mkandawire adds:

> In Africa, we have many examples of states whose performance up until the mid-1970s would have qualified them as 'developmental states' in the sense conveyed by current definitions, but which now seem anti-developmental because the hard times brought the economic expansion of their countries to a halt. Recognition of episodes and possibilities of failure leads us to a definition of a developmental state as one whose ideological underpinnings are developmental and one that seriously attempts to deploy its administrative and political resources to the task of economic development.
>
> (Ibid.)

Following this, in Botswana there has been a definite commitment by the state to pursue development. This goes back to the first Presidency of Sir Seretse Khama, who was conscious of developing a relative backwater of the British Empire. A conscious and disciplined leadership has seen as one of its main duties as the need to develop professional institutions with competent bureaucrats. Indeed, the very process of post-independence nation-building took on a character that was inspired by the fundamental task of development at all levels of society and government. This developmental ethos was accepted and advanced both by the political and bureaucratic elites and by the institutions that they built up.

This experience echoes Ha-Joon Chang's argument that a developmental state should act as an entrepreneurial agent whilst engaging in institution- and capacity-building (Chang 1999). Certainly, the robustness and level of capacity of state institutions in other developmental states have been crucial. In 1981, Botswana's then Minister of Finance and Development Planning, Peter Mmusi, spoke of the need for a:

> purposeful government which acquires the expertise to deal with companies on its own terms … the important word is purposeful—and I believe our government has been able to put together strong negotiating teams, has backed them up with well-worked-out negotiating mandates, and has then overseen the implementation of our major mining agreements with detailed care as well.
>
> (quoted in Harvey and Lewis 1990: 119)

Attempting to account for how and why a disciplined and competent state apparatus emerged post-independence is what we shall turn to next.

Explaining the 'miracle'

Explanations and accounts of Botswana's development trajectory are diverse. One school of thought may be called the 'African Miracle' school, which is mainly positive and largely economistic in its approach and misses the inherently *political* nature of Botswana's post-independence experience. Though this 'school' covers a variety of views, it does in the main approach Botswana's post-independence from a largely uncritical stance, asking whether Botswana is indeed 'A Model for Success?' (the subtitle of Picard's 1987 book, *The Politics of Development in Botswana*). Those working more from a political economy perspective have been more critical. Such analysts do, of course, acknowledge the country's rapid economic growth and efficient state machinery, as well as the long-running liberal democracy. However, they are more critical of the profound contradictions that have developed alongside Botswana's developmental trajectory. Such a position questions a situation where there is 'Poverty in the Midst of Plenty', blaming it on deliberate policy choices made as part of the developmental state project (Gulbrandsen 1996).

Touching on factors in Botswana's relative success, Samatar asserts that 'a key force that distinguishes successful from failed states is the social chemistry of the dominant class and the discipline of its leadership' (1999: 6). Samatar is critical of the social polarization and disparities of income within the country. However, Samatar also argues that Botswana's wealth grants the elite a certain space that can be used in order to resolve the more iniquitous inequalities, through determined policy choices and implementation.

According to Samatar, Botswana's success as a developmental state is rooted in a professional bureaucracy that has conducted and implemented policy making efficiently. This has been made possible by an essential alliance amongst elites. Patrick Molutsi has identified five factions of the ruling elite in Botswana: elected representatives; traditional rulers; the higher echelons of the bureaucracy; the business elite; and leading cattle-ranchers. Many of these actors can be located in two or more of these categories (Molutsi 1989a: 105). This elite alliance has privileged policies that have sought to attract private FDI, whether for mineral or manufacturing ventures – mostly the former. Receipts from this have been diverted into national development projects (Hill and Mokgethi 1989). Another leg of these policies is to promote, support and protect local businesses, primarily in the urban areas: the Financial Assistance Policy (see pp. 195–6) is a classic example. Such interventions have been possible because a strong state apparatus was built post-1966, that did not deteriorate into private patronage networks as elsewhere in Africa. Rent-seeking activities have thus been minimal (Theobald and Williams 1999; cf. Good 1994).[1]

Crucially at independence the first President, Seretse Khama, enjoyed a legitimacy – drawn from his position as (former) chief of the dominant Tswana tribe

– that was unrivalled. This, coupled with the legacy of neglect left by the British, meant that there was no real opposition to Khama's agenda:

> Unlike in most other African countries, Britain left no army, no strong bureaucracy, and a weakling middle class. This situation created a critical technical and political vacuum at independence. The Tswana educated elite [of whom Khama was one] was so small that it ended up collaborating with the colonial state, the chiefs and European settlers to form the new ruling class at independence.
>
> (Molutsi 1989a: 104)

This vacuum was a double-edged sword, for whilst it meant a state with emasculated capacity at independence, it also gave Khama and his circle the space to strip chiefs of their political power. Any threat to the new state's legitimacy originating from a chief was nipped in the bud. The Chieftainship Act of 1965 meant that power was granted to the President to recognize, or not recognize, a traditional ruler, making all chiefs subordinate to the central government. In addition, a House of Chiefs was established, but with no legislative powers (Somolekae and Lekorwe 1998). At one blow, this dissolved potential opposition to building up a strong state apparatus, and concerted opposition to the new government in general; it alsos removed a potential site of alternative power. Instead, traditional rulers, dependent on the state for official recognition, served as facilitators for the implementation of policy, particularly in rural areas. In this sense, their role within Botswana was re-invented and chiefs became agents of the government at the grass-roots level.

Furthermore, the post-colonial elite has dominated the National Assembly in such a way that state resources were not diverted to maintain patronage networks, but, rather, were available to be deployed for development. A relative working autonomy has allowed the political and bureaucratic elite to formulate policies that have benefited national development even whilst benefiting traditional elites (e.g. policies on cattle production). Acemoglu (Acemoglu *et al.* 2001: 44) write:

> [T]he members of the BDP [Botswana Democratic Party] and the political elite that emerged after 1966 had important interests in the cattle industry, the main productive sector of the economy. This meant that it was in the interests of the elite to build infrastructure and generally develop institutions … which promoted not only national development, but also their own economic interests. This development path was considerably aided by the fact that the constitution and policies adopted by the BDP meant that there were no vested interests in the status quo that could block good policies.

One of the key explanations for Botswana's development trajectory has been the commitment to development and the willingness to articulate a national vision for development by the elite or 'a national perspective that will carry the national

psyche to a level of providence, with a sense of future, so as to define its ambition or desired level of progress' (Robi 1994: 487). The centrepiece of the state's development efforts since the inception of the first National Development Plan (NDP) from 1968 to 1973, has been to raise the standards of living of the population of Botswana. In line with this, development plans have been guided by the planning objectives of sustainable development, rapid economic growth, economic independence and social justice (Republic of Botswana 1997a). The NDPs have the added advantage of granting policy implementers a great degree of space between themselves and the politicians. Thus a technical document, drafted by experts and then approved by elected representatives, serves as the blueprint for government policy. 'Once the new plan is approved, politicians' proposals not in the plan are turned aside on the grounds that only emergency measures can be adopted until the next plan is formulated' (Molutsi 1989b: 112). Botswana thus echoes the developmental state of Johnson, where 'the politicians reign and the state bureaucrats rule' (Johnson 1981: 12).

In addition, and in a conscious imitation of another developmental state's Vision 2020 (namely Malaysia), a Presidential Task Group produced a document entitled 'A Framework for a Long Term Vision for Botswana'. The 'Vision 2016' is supposed to be a national manifesto to guide future National Development Plans (NDPs) as well as broad government policy, and it is a statement of long-term goals together with proposals for a set of strategies to meet them (Republic of Botswana 1996 and 1997b) According to Mkandawire:

> it is this ideology-structure nexus that distinguishes developmental states from other forms of states. In terms of ideology, such a state is essentially one whose ideological underpinning is 'developmentalist' in that it conceives its 'mission' as that of ensuring economic development.
>
> (Mkandawire 1998: 2)

Vision 2016 and the various NDPs, are an indication of the developmentalist nature of Botswanan governance. Through them, 'by planning within the context of a market economy, government policy has tended to influence the direction of government expenditure during the planning period while providing an environment in which private sector activity can thrive' (Edge 1998: 334). Yet, the state elite's commitment to development alone does not explain Botswana's experience. As Maundeni puts it, 'developmental commitment needed to be matched with institutional capacity. Creating a truly developmental state requires that the whole state machinery must be subjected to the leadership of an economic agency of the state' (Maundeni 2001: 18). This economic agency was, as mentioned, the Ministry of Finance and Development Planning, staffed by an able civil service.

As one consequence, economic advice has been sought from technocrats, particularly when preparing NDPs and budgets. Indeed, the link between finance and national development is made explicit by the existence in Botswana of a single Ministry of Finance and Development Planning (MFDP) located in the Vice-President's office. It is pertinent to add that, prior to becoming President

after Seretse Khama's death, Quett Masire was Minister of Finance and Development Planning and had been Vice-President for 14 years. Similarly, prior to assuming the Presidency in 1998, current President, Festus Mogae, had been Masire's Vice-President for five years as well as being Minister of Finance and Development Planning. Peter Mmusi, who resigned as Vice-President in 1993 under a cloud, had also held the MFDP post. Such a ministry, with its close links to the executive, has secured a balance between development planning and budgeting, as well as strengthening the capacity to implement national goals and demonstrating a commitment to economic development.

This commitment first emerged after a struggle within the Ministry of Finance in the immediate post-independence period. Essentially, two factions fought over the new country's future economic policy. On the one hand, the Permanent Secretary, Alfred Beeby, insisted on the need to 'balance the books' and 'refused to entertain any ideas about economic development until moneys in hand' (Morton and Ramsay 1994: 63). Opposed to this highly conservative stance were a group of young economists such as Pierre Landell-Mills and Quill Hermans, who favoured 'aggressive planning for economic growth, identification of potential projects, and then finally lobbying internationally for potential sources of aid or loans to finance the projects. Moreover, they even promoted the idea of borrowing money to finance development' (ibid). The latter fraction, fortuitously, had the ear of Quett Masire, then Vice-President. Beeby had Landell-Mills were thrown out of the civil service for 'insubordination', which for a period of six weeks (November–December 1966), caused a rift between Masire and President Khama. The matter was finally resolved after a commission of enquiry that eventually saw the creation of the Ministry of Development Planning with Hermans as Permanent Secretary and Landell-Mills as Senior Government Economist.

It would not be too much of an exaggeration to say that the foundations for the Botswana developmental state were laid during the 'Landell-Mills affair', in the sense that, thereafter, the key Ministry of Development Planning was developmentally-driven, whilst the objectives of the bureaucrats were politically-driven and supported by both Seretse Khama and Quett Masire. Meredith Woo-Cumings has argued that nationalism and a national vision lies at the heart of a developmental state (1999b: 8) and 'in many respects development has been Botswana's ideology' (Lewis 1993). As Sir Seretse Khama argued:

> When we attained independence in 1966 we had no economic base from which to proceed with the development of our country. Our chances of survival as a viable country were almost nil but we were not discouraged nor could we ever willingly return to the old days of colonial neglect. Having accepted the challenges of independence we had no other alternative but to get down to work to make our independence a meaningful one.
>
> (Khama 1980: 323)

In specifically understanding Botswana as a developmental state, Samatar argues that the Botswanan elite has successfully utilized the receipts from the country's

diamonds to expand the state as a facilitator (or 'entrepreneurial agent'). This sea change in philosophy from Beeby's fiscal conservatism to Landell-Mills *et al*.'s more development-oriented policies has been crucial, with the state not shying away from an active involvement in promoting the market. Pilot institutions have been built to stimulate growth in the private sector, the Botswana Development Corporation being a prime example. Botswana Development Corporation Limited (BDC) was established in 1970 as Botswana's main agency for commercial and industrial development and all of its ordinary shares are owned by the government of Botswana. The BDC's primary objective is to assist in the establishment and development of commercially viable businesses in Botswana. Its roles include the provision of financial assistance to investors with commercially viable projects, the building of partnerships with investors capable of creating and growing commercially viable businesses and the support of projects that generate sustainable employment for Botswana. An important aim of the BDC is to encourage citizen participation in business ventures (see Botswana Development 1985; Botswana Development Corporation 1995; and Botswana Development Corporation 2000).

Similarly, the Botswana Export Development and Investment Authority (BEDIA), set up by the government in November 1997, is designed to promote investment into Botswana, with special emphasis on export-oriented manufacture; to identify market outlets for products manufactured in Botswana, and to construct factory buildings. Reflecting the close links between the public and private sector, the board of directors of BEDIA is made up of private-sector representatives alongside representatives from the Ministry of Commerce and Industry and the Ministry of Finance and Development Planning.

Regarding the role of the bureaucracy in Botswana's developmental state: this effective and competent service has been able to implement policy directives without miring itself and the country in over-expenditure and other pitfalls associated with many other such apparatuses, particularly in Africa. Expatriates were retained (as opposed to much of the rest of Africa) in order to help train up a local but competent and educated civil service – symbolically, for a number of years, the head of the civil service was a white Kenyan. Because of the lack of education afforded to local Batswana under the colonial period, this gradualism was necessary. The local cadre of bureaucrats thus underwent a period of tutelage and learning that has enabled them to gradually – and smoothly – take over the running of the country. Now, the Botswanan civil service has a 'proven capacity to take preemptive policy action and generally pursue policies in the long-term interest of the country' (Charlton 1991: 265). Combined with well-trained and well-educated Botswanans who have a low tolerance threshold of corruption, this means that the bureaucracy in Botswana is a tool rather than an obstacle for development. Furthermore, linking Botswana's bureaucracy with the developmental state literature on the autonomy of the bureaucracy, du Toit (1995: 121) correctly asserts that:

> [T]he autonomous bureaucracy, in coalition with the ruling Botswana Democratic Party has succeeded through its technocratic priorities of growth

> and stability (at the expense of participation and equity), in establishing a solvent enough state which is able to deliver public goods (roads, schools, watering facilities, clinics etc) on a non-tribal, non-regional basis, so as to ensure that the minimum requirements of jointness of supply and non-excludability are met. Ensuring that the state is seen as neutral, not as an ethnic body … contributes to its legitimacy and that of the regime.

According to Maundeni (no date: 10), 'Botswana has maintained a strong and relatively autonomous and effective bureaucracy by insulating the planning bureaucrats from societal pressure, employing expatriates and by targeting the training of locals'. 'In practice the civil service, not the political leadership, has dominated policymaking' (Somolekae 1993: 116). The autonomy of this bureaucracy was, of course, socially anchored within the wider milieu of webs and networks that linked the cattle-ranchers, politicians and bureaucrats together. This sort of 'embedded autonomy' (Evans 1995) characteristic of developmental states, created a dynamic interaction between the various (cross-cutting) groups that stimulated policies favourable not only to the elites themselves, but also to development. Clearly, developmental states must be involved in a network of ties, which secure them to groups or classes that can become allies in the pursuit of societal goals. What has occurred in Botswana is a typical developmental state situation where the bureaucracy and the ruling party mesh. Evidence to confirm this is 'the commonness of the recruitment of senior civil servants directly not just into the ruling party politics but into senior government posts' (Charlton 1991: 283). The classic example was previous President, Festus Mogae, who was variously been Planning Officer, Director of Economic Affairs, Alternate Governor for Botswana at the IMF, Governor of the Bank of Botswana, Permanent Secretary to the President, Secretary to the Cabinet, Minister of Finance and Development Planning and finally Vice-President in 1992 before taking over the presidential reins in 1998.

Some claims have been made that the state has overly favoured an elite fraction of cattle farmers (e.g. Picard 1980 and Parson 1981). This presupposes, however, a high degree of influence over policy by some interest groups. In reality, as Holm has pointed out when talking specifically of rural development and the supposed influence of some 'bovine elite', 'the critical debate on a policy takes place within the government, not in parliament or in public discussion … it is dominant ministries which shape policy outcomes' (Holm 1985: 175). Molutsi (1989b: 126) has gone further to assert that:

> Without denying that important government policies benefit the rich and influential sections of society … the state is not *sui generis* an instrument of local shopkeepers and cattle owners. Instead it is capable because of its relative autonomy from the major classes in society of concurrently advancing accumulation programmes in favour of the propertied classes on the one hand and welfare programmes for the poor masses on the other. The latter especially is important if the state is to establish itself as legitimate for the entire population.

It can be argued that the embedded autonomy of the bureaucracy and diverse ministries have thus served Botswana well, cushioning policy from special-interest lobbying, though perhaps at a cost of the democratic accountability of the bureaucracy. The limitations placed on organized labour, in particular, in the name of nation-building, have been highlighted by some observers (Mogalakwe 1997). Having said that, as in other developmental states, social engineering is integral to the project. This has been facilitated in Botswana – meaning that there has been minimal opposition to the dominant elites' programmes – by civil society being poorly developed and disorganized, and democratic input being weak in any case (Molutsi and Holm 1990). In particular, the fragmented opposition has meant that the BDP has enjoyed hegemonic – if not wholly unchallenged – status since independence.

Freed from such diverse pressures emanating from below, the bureaucracy has served a crucial role and it is true that 'the government [has] invested heavily in infrastructure, health and education and attempted to foster industrial development. The key to all this was the creation of a meritocratic bureaucracy and extensive state capacity' (Acemoglu *et al.* 2001: 29). Consequently, 'public sector development administration is at once broader and more focussed than traditional public administration because the state itself serves both as the engine of growth within the economy and as the primary source of social development nationally' (Edge 1998: 336–337).

Following on from this, parastatals have been created in a country that lacks sufficient local capital – the most notable examples being Botswana Power Corporation, the National Development Bank, Botswana Railways and the Botswana Development Corporation. In order to finance these, the government has created a mechanism whereby funds are transferred out of the Consolidated Fund into three special funds, namely the Domestic Development Fund, which is the state's own contribution to capital projects as opposed to donor aid; the Revenue Stabilization Fund, which absorbs short-term revenue increases and is used to provide short-term funding to parastatals and local government; and the Public Debt Service Fund, which provides long-term funding to parastatals. This mechanism controls excess spending by central government. Hudson (1991: 57) has written that 'the government has had mixed success with these loans, from a credit worthiness point of view. From a development point of view however, they have been a great success'.

The state has been keen to diversify the economy away from its traditional export base and towards manufacturing, particularly as minerals are a finite resource and 'the economy's prospects of continuing rapid growth must lie mainly with the further development of manufactured exports' (Harvey 1991: 337). Indeed, the government has noted with alarm the vulnerability of Botswana to an over-reliance on diamonds in face of the issue of 'conflict diamonds' (*Daily News* (Gaborone) July 6, 2001). To this end, Gaborone has followed a conscious policy of promoting the industrial sector as a means of diversifying Botswana's economy. The Financial Assistance Programme (FAP) has been a part of this policy. Established in 1982 and revised in 1989 and 1995, FAP was

created to assist businesses that produce or process goods for import substitution or for export. Large-scale mining and the cattle industry are excluded from FAP support. Eligible activities for assistance include manufacturing, small- and medium-scale mining, agriculture other than cattle, selected 'linking' service industries and tourism. Linking service industries are defined as those that provide a marketing or collection function for the productive activities, including associated repair and maintenance facilities. Brewing or distilling operations do not qualify for assistance.

New projects and expanding productive businesses can apply for assistance, but only those which raise the national income and have a reasonable chance of becoming financially viable will receive support. Businesses qualifying for assistance are classified into three categories:

- *Small-scale projects* – having fixed capital investment of less than P75,000. FAP assistance in this category is restricted to citizens. Assistance is in the form of grants, with amounts determined by location, woman ownership and number of jobs created;
- *Medium-scale projects* – having fixed capital investment of between P75,000 and P2 million;
- *Large-scale projects* – having fixed capital investment in excess of P2 million.

Small- and medium-scale industrial projects that qualify are administered by the Department of Industrial Affairs in the Ministry of Commerce and Industry. The Ministry of Finance and Development Planning administers the large-scale projects. However, such mechanisms have largely failed to diversify the economy: despite the best efforts of the state, Botswana has been unable to emulate such Asian developmental states as South Korea or Taiwan in building up a large-scale, competitive manufacturing base. This has been a failing of the country's development experience.

Concluding remarks

Botswana is not some sort of utopia in the Kalahari. The country faces serious problems related to equity within society. It can hardly be said that everyone has benefited meaningfully from raised incomes or higher standards of living, despite the extensive provision of health and education facilities as well as access to potable water and a decent transport infrastructure. As Picard has pointed out, 'the primary beneficiaries of government policy in the areas of economic and rural development have been the organizational elites, bureaucratic, professional and political, who dominate the system' (Picard 1987: 264).

Although Botswana is a 'cattle country', this obscures the fact that almost half of all Botswanans own no cattle at all, with less than 10 per cent of the population owning about 50 per cent of the country's cattle. These cattle barons

have benefited from government policy on beef, although the receipts from meat exports also go into state coffers. Samatar and Oldfield (1995: 661) consider that the Botswana Meat Commission, which manages the country's beef industry, 'has nurtured the collective interest of the dominant strata while providing services for the many small producers'. Four out of five rural households survive on the income of a family member in town or abroad. 'That still leaves a significant number of rural households, usually female-headed, with no source of income known to statisticians' (Parsons 2000).

The creation of a more equitable society and the fairer distribution of resources is now Botswana's greatest developmental challenge, which will define the success or otherwise of the post-independence project. A less elitist, and more egalitarian, dimension to Botswana as a developmental state is urgently required. Although some of the inequality in the country is due to specific policy choices, it is also true – as Tsie (1998: 15) points out – that:

> some of the contradictions of Botswana's development policy are rooted in the capitalist system that the country has followed.… Here one has in mind the tendency of capitalist economies to generate severe income inequalities in the early stages of their development.

Now that Botswana has established the fundamentals of a working bureaucracy and an excellent infrastructure with a large amount of foreign reserves, a more proactive stance on inequality should be put in place (see Botswana Institute for Development Policy Analysis 1996).

The commitment to development by both the political and bureaucratic elites is thus central, but not enough. Plenty of African states have been developmental on paper, but very few indeed have been successful. What seems to have separated Botswana from other African states is the strategy of putting into place institutions that have helped sustain growth. This has been part of a broader national developmental vision that has sought to coordinate investment plans. With the state acting as an entrepreneurial agent, there has been, to varying degrees, coordination between the private and the public sectors – the parastatals being a prime example. According to Edge:

> In Botswana, the developmental state is based on a foundation of capitalism in which the government, through a wide variety of incentives, actively promotes private investments by national and multinational corporations, while creating profit-based public enterprises and investing directly in private firms.
>
> (Edge 1998: 334)

All this has been facilitated by an efficient and well-trained bureaucracy, which has resisted the descent into corruption that has been the hallmark of much of the civil service in other parts of the continent. Indeed, skills development, not only in the bureaucracy but also in the wider private sphere, has been an important

aspect of Botswana's success – the National Productivity Centre, which came about after fact-finding missions to Malaysia and Singapore, being a prime example.

Despite the criticism of inequality within the country, it is still true that 'state intervention can play a vital role in creating the conditions for sustained trade growth and in ensuring that trade expansion translates into poverty reduction – as the examples of both Botswana and Mauritius in Africa have demonstrated' (Carroll and Carroll 1997). The Botswanan developmental state *has* achieved respectable accomplishments; it may even be argued that Botswana's strategy has shown that 'a disciplined activist African state that governs the market is essential for industrial development and recovery' (Owusu and Samatar 1997: 270). In this sense, the lessons that states may pick up from the Asian experience, namely the construction of 'local counterparts to the proximate institutional prerequisites of East Asian success – bureaucracies with a capable economic core and government-business relations based on scepticism combined with communication and support in return for performance delivered', might also be applied to Botswana's case (Evans 1998: 83). The assessment seems correct that:

> Botswana [has] defied the thrust of prevailing development orthodoxy, which claims that African states cannot enhance industrial development through interventionist strategy. Botswana's state-governed industrial strategy supports recent research on the 'East Asian miracle', which underscores the fundamental importance of state intervention in industrial transformation.
>
> (Owusu and Samatar 1997: 289)

Equally, the 'primacy of politics' in the complex process of development has been fundamental and decisive (Leftwich 2000), inferring that it is not *how much* state intervention should take place, but rather *what kind*.

Obviously, the very different historical and cultural contexts from which various development experiences have evolved make direct comparisons and the borrowing of models problematic (Clapham 1996). Developmental states cannot, as Leftwich (2000: 169) points out, 'be had to order'. Nonetheless, there is such a thing as a broad developmental state model that helps account for the relative success not only of Taiwan or Singapore, but also of Botswana. Moreover, the possibility of more developmental states on the continent should not be written off (Stein 2000). As Peter Evans has written:

> in the best of all possible worlds, African and Latin American countries would follow the lessons generated by the East Asian experiences in the same way that East Asian policy-makers followed western models of capitalism: with such originality and inventiveness as to outperform the original. Hopefully the art of leapfrogging is not yet dead.
>
> (Evans 1998: 83)

Note

1 It should be pointed out that the examples that Good cites, and which are held up as somehow indicative of the levels of corruption in Botswana, are drawn from a lengthy period of time, while similar crimes, unfortunately, are uncovered on a weekly basis in South Africa and elsewhere.

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12 Small state security in Asia

Political and temporal constructions of vulnerability

Alan Chong

Introduction and historical background

Any investigation of Asian small states' security and foreign policies runs up against the challenge of distinguishing objective 'smallness' from subjective frames of analysis. This does not mean that social science cannot be applied to Asian small states; but research on these states needs to start through the optic of a historical empathy. Statehood was an import from the West, via colonialism, and hence sovereignty as a recognizable institution begins only with the advent of a post-colonial Asia. Small states, as a category of actorness, enter the discourse of empirical trends only when the post-colonial leaderships deploy the propaganda claim that their new states have been vulnerable since inception.

Historically, pre-modern Asia has never produced its own narrative of smallness. The dominant political traditions of the time approached boundaries and collective power in terms of *mandala*, *negara*, and pan-regional civilization. The *mandala* was an inspiration from Buddhism, whose ideological footprint covered much of present-day South Asia, Southeast Asia and even parts of present-day southern China. The *mandalic* system of political order resembled a concertina-like pattern of overlapping political realms presided over by a god king termed a *devaraja*, whose legitimacy was purportedly derived from Providence. (Wolters 2004: 28–37) Following Buddhist principles, the *devaraja* acquired his seat through divine revelation of his high personal merit and achievements that were attributable to God. Though possessing an army, the key ramparts of his authority lay in the architectural majesty of his temples, his court pageantry, martial displays and the ability to marshal manpower for agriculture and building these monuments to Providence. A single *devaraja* could also outrank any number of other rivals if he could prove himself worthy of their tributes and protect them and their peoples from physical and other-worldly harm. The *devaraja* ruled in expansionary mode and claimed tributes from as many proximate and distant realms as possible, using political agents to gather intelligence on the state of loyalties on the peripheries of his *mandala*. In the resulting contest for allegiances, the idea of smallness was notably absent; in its place was the notion of greater or lesser allegiance. Furthermore, the logic of the *mandala* dictated a fusion between domestic and 'external' political concerns, a feature that continues to bedevil the modern small state.

The *negara* represented a variation upon the *mandalic* system, widely practised across Southeast Asia, in which the proto-state – as anthropologist Clifford Geertz characterized nineteenth-century Bali – manifested itself as what he termed a 'theatre state'. The performance in and around the Court of the local potentate was the polity in itself. In Geertz's own description,

> …it was a theatre state in which the kings and princes were the impresarios, the priests the directors, and the peasants the supporting cast, stage crew, and audience. The stupendous cremations, tooth filings, temple dedications, pilgrimages, and blood sacrifices, mobilizing hundreds and even thousands of people and great quantities of wealth, were not means to political ends: they were the ends themselves, they were what the state was for.
>
> (Geertz 1980: 13)

Geertz goes on to assert that to be seen as an effectual political entity, the theatre state had to represent itself as an 'exemplary centre' – not unlike the cosmology of the *mandalic* system. It had to manifest in the eyes of its subjects the majesty of heavenly order on earth. In this dispensation, the question of smallness did not even arise. The criterion for effective proto-sovereignty across borders was the degree of awe that the royal court could muster.

Much of the pan-regional Confucian culture typifying what is today called the Northeast Asian sub-region, namely the two Koreas, Mongolia, Japan and China, can be described as broadly similar to both the *negara* and *mandala* of South and Southeast Asia. Confucian culture incorporated references to a mandate from Heaven in court ceremonies, rituals and the imperial roles of the incumbent monarch and his officials. Moreover, the Court had to behave in an exemplary manner in rendering justice and instrumental delivery for the needs of the common people (Gernet 1982: Chapters 3–4). The tributary system that connected the Chinese Court and the vassal kingdoms of Korea and Mongolia is well known as an expression of the majesty of the Emperor (or Empress) exercising the mandate from above. Despite the rebellious political postures of the vast majority of Japanese kingdoms, or *Shogunates*, the latter also imitated the essence of Confucian politics in their governance of domestic and foreign relations.

Looking at these patterns, it is clear why any inquiry into Asian small state security must ask the constructivist question: How do modern twentieth-century post-colonial leaders conceptualize what managing a modern small state means? To find the answer, however, the colonial impact on Asian states must be briefly surveyed as another complicating layer in the socialization of security perceptions. The advent of the European colonization of Asia, from roughly the late 1400s through till the mid-1960s, left an indelible impact in terms of population groups' identities, their mobilities, their positioning within an economic hierarchy and finally their borders (Hunter 1966: Chapters 4–5; Mason 2005: Chapter 11). European colonialism inscribed new practices upon the traditional ways of Asian states and societies. Colonialism is by definition extractive and

intrusive in both economic and demographic senses. The Portuguese, Spaniards, Dutch, British, French and Americans were in Asia to seek out raw materials for fuelling the industrial revolution in Europe and North America. They imposed imperialist systems of social and political organization upon the natives to systematize economic extraction, and also to re-settle their own surplus and unemployed populations from the metropole. Cultural groupings that had oriented themselves under the *mandalic*, *negara* and pan-regional Asian belief systems suffered a rude shock when they had to adhere to notions of sovereignty and fixed boundaries, as well as coping with Western demands for extra-territorial rights and privileges. Some of the traditional Asian elites ruled with the support and calculated tolerance of the new colonial masters, while others were summarily removed from power altogether in the name of restoring peace and subservience to colonial economics. In territories such as Cambodia, Borneo, Burma, the Dutch East Indies, Malaya, Philippines, Singapore and Vietnam, the colonial masters encouraged immigration by sizable numbers of Chinese and 'Indians' (chiefly Tamils and Malayalees from South Asia) in order to expedite economic development, since these races were seen as more inclined towards diligence, sacrifice and *rentier* functions under forceful leadership than the indigenous ethnicities of Southeast Asia (Hunter 1966: 60–72). Where their leaderships were pliable, the indigenous ethnicities were set against the imported races by being employed in less sensitive colonial government posts to police public order and traffic flows. In these ways, the colonial impact redrew and fixed the modern borders of Asia, while heightening inter-racial discord under the cold logic of economic exploitation.

The modern Asian small state's perspective comes into being when the 'agency' of the post-colonial sovereign state attempts to reconcile its fixed territorial nature with the 'structure' of nationalisms that straddle borders, the global economic system and issues of international order as determined by the actions of Great Powers. As the Malayan Representative to the United Nations commented, barely four months after Malaya gained independence from the United Kingdom, under Cold War conditions 'communist terrorism in Malaya had aroused interest in America about Malaya and had resulted in publicity without our own effort' (Ismail 2009: 6).

Malaya was approximately one-third the territorial size of the neighbouring newly-independent archipelagic state of Indonesia, whose foreign policy was oriented towards Maoist China and the USSR, and Malaya's population was approximately 8 per cent of Indonesia's at that time. The Malayan government found common cause with the departing British colonial power in suppressing a Communist insurgency, while the nationalist politicians in Jakarta entertained the notion of solidarity among all anti-colonial forces, including left-wing parties and trade unions. Furthermore, Maoist China retained a special channel of socio-cultural influence amongst the ethnic Chinese citizens of Malaya, who constituted approximately one-third of the total population.

The Cold War had indeed foisted upon much of Asia a new combination of demographic and geographical disparities with ideological insecurity. In the

checkerboard interpretations of Moscow, Beijing and Washington, small states were either 'beachheads' for wider regional domination and revolution, or 'weak but strategically important allies', to be propped up. One can go on to trace the mirrored logics between the Americans 'rescuing' South Korea between 1950 and 1953 and the Chinese and Soviets 'arming the fraternal' Socialist Republic of Vietnam between 1950 and 1975, extending these subsequently to any number of proxies throughout Asia. The 'domino theory' espoused by the Eisenhower Administration in the mid-1950s crystallized a highly rigid Cold War narrative of vulnerability for the non-Communist small states of South Vietnam, Laos, Cambodia, Burma, Malaya and Singapore. Taiwan, too, could fit into such a logic if the case were made in relation to the shipping lifelines transiting Taiwanese waters en route to South Korea and Japan. In South Asia, Pakistan and even supposedly non-aligned India and Sri Lanka were seen as bulwarks against Soviet and Chinese encroachments westward and southward.

This coincidence of Cold War political constructions of vulnerability with the formal independence of these Asian small states resonates with the editors' proposal in Chapter 1 of this volume, to adhere to a qualitative and relational definition of the small state, and with their view that such definitions must start with the small state's power weaknesses. The small state is theoretically powerless to protect itself from determined attacks from abroad; it is powerless to assert its autonomy under most circumstances, and is therefore capable of only a highly circumscribed range of reactions; it is powerless to affect the 'games' being played on the international stage; and it is ultimately powerless in its position as a miniscule player on that stage.[1] This fits perfectly with the present chapter's preference for a constructivist approach to the study of Asian small states.[2] Asian small states define their weaknesses in security in relation to an imported political form, namely the nation-state, and to their leaders' perceptions – in this perspective – of dangers lurking in the wider international order either for their recently demarcated borders or the constitution of their domestic societies. Nonetheless, a caveat should be made here that powerlessness is not a finite and irredeemable condition. The creative employment of soft power by some Asian small states defies 'conventional' readings of their powerlessness. (Chong and Maass 2010)

The remainder of this chapter seeks to articulate a set of general features of Asian small state security by examining the security experiences of two small states: Sri Lanka and Singapore. Placed respectively in South and Southeast Asia, each of these has experienced significant internal dissension affecting its foreign relations and external security. Such a pattern is both historical in the Asian region, and consistent with the findings of many Commonwealth Secretariat-inspired reports on the international plight of small states (Charles *et al.* 1997). Each state has also confronted the question of power projection by its larger neighbours, some of whose behaviour verged on the predatory and directly threatened the small states' autonomy. Against the larger evolving backdrop of an Asia transiting from colonialism to post-colonial independent statehood, both states today exemplify the new Asia coming to terms with a regional

international society (Chong 2011) that expects relatively constant adherence to new norms of sociality and management of conflicts without resort to overt military action. These are, in turn, the minimum prerequisites for a society hospitable to Asian small states.

Each case study is organized in three thematic sections: *internal sources of insecurity and coping strategies*, namely state and nation-building issues; *external sources of insecurity and coping strategies*; and the *present and future challenges to intermestic security*. The shorthand term 'intermestic' (i.e. a combination of international and domestic) reflects the fact – also highlighted in this chapter's conclusions – that the management of small states' problems requires constant calibration between domestic and external pressures. The political spaces attached to their respective sovereignties admit very little margin for error if statehood and nationhood are not to be called into question.

Sri Lanka: security as intermestic from Cold War to post-Cold War

Internal security as a state and nation-building issue: colonized race and reverse justice

As an island state of nearly 65,000 km^2 lying off the southern tip of the Republic of India (3.3 million km^2), the Democratic Socialist Republic of Sri Lanka is dwarfed by its giant neighbour. Yet its name, 'Sri Lanka', derived from the *sanskrit* language indigenous to much of South Asia and other Buddhist cultures, translates as 'venerable island'. Lanka, its ancient, shortened name, was closely associated with dynasties that were founded on the island by royal migrants from what is today the Indian mainland. Buddhism arrived in this way when the son of the Mauryan king, Ashoka, came from the mainland to spread the message of Gautama Buddha to the reigning Lankan monarch, Devanampiya Tissa. Tissa was so impressed by Buddha's teachings that he embraced the new faith and compelled his subjects, the Sinhala population, to do likewise. The Sinhalese were already religiously inclined in their own fashion, having derived their collective identity from the symbols *Sinha* (lion) and *Hela* (pristine or pure). Already skilled craftsmen and monument builders, they applied their energies to celebrate their new religion by perfecting statues of Buddha and adorning temples and palaces with Buddhist motifs. This picture of the ancient Lanka retains clear echoes of the aforementioned *mandalic* and *negara* influences, but more importantly, it signified the centrality of the Buddhist religion to the cultural identity of the majority of the indigenous population.

The advent of British colonialism, by the 1700s, introduced a sizable Tamil population in the northern part of the island through officially-encouraged migration from southern India. It is worth noting that Tamils had settled in Sri Lanka, and practised Hinduism, long before the British arrival. What changed was the British logic of actively encouraging Indian, or 'Estate', Tamils to settle in Sri Lanka to operate the coffee and tea plantations that the British saw fit to

introduce to the island. They settled in the hill country in and around Kandy in the centre of the island and in the northern Jaffna peninsula. Collectively, the Tamils consistently formed the second largest ethnic population on the island. But the majority Sinhalese, comprising 70 per cent of the island's population, has never regarded the Tamils – especially the Indian Tamils – as a natural part of any Sri Lankan nation (Malik *et al.* 2009: 314–315).

Upon achieving independence from the British in 1948, the Sinhalese-dominated government interpreted decolonization to mean reversing the privileges accorded by the British to the Indian Tamils. The Sri Lankan Tamils were also quickly disenfranchised by Sinhalese government policies that sought to establish a post-colonial narrative treating them as marginal subjects, who had enjoyed colonial favour while the British rulers discriminated against Buddhist customs and the Sinhala language. As one scholar observed, 'the fundamental sources of the [long running] ethnic conflict in Sri Lanka can be traced to a specific historical context of the evolution of a multi-ethnic society under a mono-ethnic state' (Sahadevan 2012: 48). Yet another scholar took the view that state- and nation-building was artificially rendered coterminous by strategically 'othering' rival ethnicities within the same territorial space (Krishna 2010: 220). Although Indian Tamils elected six representatives to the first parliament in 1947, they lost their seats quickly thereafter, since the Sinhalese-dominated government refused citizenship to all Indian Tamils. Despite further fits and starts in Indian Tamils' political representation, between 1952 and 1977 there were no Indian Tamils in parliament at all (Malik *et al.* 2009: 325).

At the same time, all Tamils in Sri Lanka were widely perceived as profiting from the preferences accorded them by the British, including their facility with the English language, and hence their better performance in business, the professions and in academia vis-à-vis the Sinhalese. The post-colonial government, exercising sovereignty from its seat in Colombo, sought to deport most Tamils to either India or Pakistan, triggering much friction with those similarly independent states. It was a portentous sign that, in 1964, Sri Lankan Prime Minister Sirimavo Bandaranaike and Indian Prime Minister Lal Bahadur Shastri negotiated arrangements to grant Sri Lankan citizenship to nearly 300,000 of the 975,000 Indian Tamils while deporting 525,000 of the remainder to India. The remaining 150,000 were to be vetted and subject to further negotiation as to whether they were fully stateless persons. This issue has yet to be resolved (Malik *et al.* 2009: 315).

Meanwhile, successive governments headed by Sinhalese Presidents enacted discriminatory policies against the Tamils in the name of a Sinhalese anti-colonial nationalism. Chief among these were the declaration of Sinhala as the only official language of the new nation (in 1956); a declaration that it was the solemn duty of the state to protect and advance Buddhism (in 1972); various strategies of economic development that favoured the Sinhalese acquiring cultivable land at the expense of ethnic minorities; and finally, affirmative action policies 'designed to redress the incongruence between ethnic proportions and public goods, especially in access to higher education and professional courses'

(Krishna 2010: 222). The last policy basically meant giving privileged access to Sinhalese to facilitate their occupational mobility over other ethnicities. It was no surprise that the Tamils in Sri Lanka resorted to violence by 1977, culminating in a full-blown insurgency by 1983, when Sinhalese extremists staged anti-Tamil riots across the country. The lead Tamil insurgent grouping emerged as the Liberation Tigers of Tamil Eelam (LTTE) as a result. Despite mediation by India and its peacekeeping presence in northern Sri Lanka between 1987 and 1990, the UN's good offices, and even Norwegian mediation, the Sri Lankan government resolved to crush the LTTE insurgency through military means. They succeeded in 2009, by destroying the final LTTE stronghold in the Jaffna peninsula, and killing its leader in the process.

The efforts made for state and national consolidation by the newly independent Sri Lankan government after 1948 were thus clearly equated with an internal security issue. The 'security' of the politically awakened and historically sentimental Sinhalese majority was translated by its leaders into a struggle to establish a largely mono-ethnic nation-state. The socio-political injuries of colonialism were to be avenged by the newly enfranchised, hitherto marginalized, ethnic majority, repeating a cyclical political pattern of hegemony. Internal security under the succession of Sinhalese leaders meant literally ensuring one nation's subjugation of another within the same state. Such is one half of the canvas of Sri Lanka's elite perception of small state security.

External sources of insecurity and coping strategies

There is an almost universal consensus among scholars that Sri Lankan foreign policy routinely reflects domestic or 'intermestic' concerns. The above-mentioned Sinhalese-Tamil conflict is the prime driver, followed by economic development. However, India also enters the Sri Lankan intermestic sphere via the Tamil disapora across the narrow Palk Strait separating the two countries. As one scholar put it, 'these are states whose peoples are organically connected but politically divided by lines that are only arbitrarily designated internal or international at particular historical moments' (Rajagopalan 2005: 107). The Sri Lankan government's mixture of dread and constructive engagement vis-à-vis India was most clearly actualized in the ill-fated Indian peacekeeping operation in the Jaffna Peninsula between 1987 and 1990. India's unrelenting anxiety about neighbouring insurgencies and irredentist movements spilling over into its own fragile inter-ethnic relations has in fact provoked Indian intrusions into the domestic spheres of all of its immediate neighbours in South Asia. The most obvious case is the Indian concern with Islamist terrorism – reinvigorated since 9/11 – in Pakistan, Afghanistan and Bangladesh; but New Delhi has also exercised its military muscle all around its peripheries, from Kashmir to Sri Lanka's Jaffna Peninsula and to the Maldives, where Indian forces intervened to restore a sitting President in November 1988. Most recently, New Delhi has despatched a sizable fleet to participate in the Gulf of Aden multinational anti-piracy patrol.

It was this fear of India actively policing its extended security frontier that drove Sri Lankan Prime Ministers during the better part of the Cold War to propose initiatives such as the Indian Ocean Zone of Peace (Kodikara 1980). Colombo sought to dissuade both Cold War superpowers from any active rivalry in the Indian Ocean, which could only draw in India to Sri Lanka's detriment. The Zone of Peace concept overlapped conveniently with Colombo's enthusiastic participation in the Non-Aligned Movement, where India was also an active member (Kodikara 1980: 883–887). Opposing superpower-led polarization that would distract newly-decolonized and Third World states from their focus on national development, the Zone simultaneously served as a clarion call to avoid basing foreign policies on notions of political and military competition. In 1974, Prime Minister Sirimavo Bandaranaike's words were equally directed at New Delhi, Washington and Moscow:

> My proposal was that the Indian Ocean should be made a Zone of Peace. It should be free of the presence of Big Powers in a state of rivalry and competition; that military installations established by these Powers should be dismantled and removed; and that it should be secured for lawful commercial and other peaceful uses and pursuits.
>
> (quoted in Kodikara 1980: 880)

In fact, the Peace Zone concept has never progressed beyond examination by an ad hoc committee at the UN. Its value in its Cold War context was probably more rhetorical and moral in nature. In concrete terms, it legitimized Colombo's intermestic attempts to tie India's hands in the eyes of regional and global public opinion, while also politically justifying Colombo's welcome for the Americans' countervailing presence on the British-owned Indian Ocean island of Diego Garcia (Manor and Segal 1985). As President Jayawardene said in the late 1970s, 'I don't know if we want the Americans to get out of the Indian Ocean. If there is a change in India and there is some threat to Ceylon [i.e. Sri Lanka] we might need Diego Garcia' (quoted in Manor and Segal 1985: 1179). More recently, with the rise of Chinese power across East Asia, Sri Lanka has welcomed Chinese economic investments and arms sales as a pointed counterbalance to India. Sri Lanka has declared its appreciation for Chinese military supplies in its fight against the LTTE insurgents (DeSilva-Ranasinghe 2011). In contrast, the Western states have threatened Colombo with sanctions over the brutalities committed by its military forces in its war against the LTTE.

Courting rival Great Powers has remained an essential tool of Colombo's foreign policy in the face of geopolitical threats created by a larger neighbour and by other Great Powers themselves. This still holds good some four decades later, even though Sri Lanka continues to be a member of the South Asian Association for Regional Cooperation (SAARC). More spectacularly, in 2009, China approved Sri Lanka's application for dialogue partner status in the Shanghai Cooperation Organization, a grouping of Central Asian states that includes China and Russia but includes India only as an observer (DeSilva-Ranasinghe 2011: 62).

Present and future challenges to intermestic security

Since independence, Sri Lankan security policies have been dominated by the internal ethnic strife roiling its politics. Despite foreign allegations of brutality and human rights violations during the LTTE's final defeat in 2009, the logic of exclusionist nationalism at home remains politically appealing for the current President, Mahinda Rajapaksa, and his party, the United People's Freedom Alliance. He is perceived by most Sinhalese as the 'hero' who ended the LTTE's reign of terror, and his government can tout their success in resettling 250,000 refugees and rebuilding essential infrastructure in the war zone, seeding a steady economic recovery (Goodhand 2012: 132–133). No amount of foreign pressure is likely to dislodge the current Sinhalese-dominated regime from power, and the leadership seem to find an international pariah status for the Sri Lankan state tolerable so long as economic growth and general inter-state peace in South Asia are not seriously disturbed. Indeed, Rajapaksa has urged Sri Lankan diplomats to wage a more aggressive propaganda effort worldwide to counter LTTE sympathizers' 'misinformation campaign' (TamilNet 2013; ZEENEWS.com 2012).

Meanwhile, relations with the great powers continue in a status quo with the Indian power balanced by Chinese influence, even as relations with the West are strained over the human rights imbroglio stemming from the war against the LTTE. In this respect, Colombo exhibits classic small state behaviour vis-à-vis the great powers, namely hedging its bets and courting rivals. But the bigger source of insecurity stems ironically from the blind domestic pursuit of Sinhalese nationalism. The military victory over the Tamil insurgency may prove illusory over the long term if Tamils are compelled to seek redress in ever more violent ways through the familiar intermestic dimension. One avenue of indirect pressure from the Tamil diaspora has arisen through US pressures for Sri Lankan government accountability before the UN Human Rights Council. In 2013, this campaign was actively abetted by the NGO Human Rights Watch and by an independent journalist whose docudrama, 'No Fire Zone: the Killing Fields of Sri Lanka' was screened before the UN Human Rights Council (Cumming-Bruce 2013).

Singapore: security as intermestic from Cold War to post-Cold War

Like Sri Lanka vis-à-vis India, Singapore is an island state at the southern tip of a larger neighbour – Malaysia – separated by two narrow bodies of water, the Straits of Johor and the Straits of Malacca. Although Malaysia occasionally regards itself as small in relation to the rest of Asia and the developing world, Singapore can only boast a territorial land area of 715 km^2 in comparison to Malaysia's 330,000 km^2. Lying immediately southward across the equally narrow Straits of Singapore is the Republic of Indonesia's expanse of 1.9 million km^2 in land area and 1.8 million square kilometres of maritime sovereignty. The latter statistic is relevant to Singapore's security calculations, since Indonesia has officially defined itself under international law as an archipelagic

state and has officially claimed large swathes of surrounding sea areas either as part of its formal jurisdiction or as its exclusive economic zone. Since Singapore's economy thrives largely upon trade, financial flows and hosting transportation links across Southeast Asia, East Asia, Oceania and the Middle East, access to maritime and air spaces is a multi-dimensional security concern.

Aside from the evident need for straightforward territorial defence, the sociopolitical integrity of the island's politics must also serve to ensure that the governance of the state does not invite any undesirable foreign intervention that might precipitate a complete collapse of the Republic's legally recognized sovereignty. This internal security dimension was born of the circumstances surrounding the Republic's struggle for Federation with the newly independent state of Malaya in September 1963, and its subsequent ejection from that very Federation of Malaysia, which precipitated independence in August 1965.

Singapore did not exist as a continuous and distinct entity in ancient times. If not for the British East India Company's acquisition of the island for entrepôt trade in 1819, it could have just as easily faded into obscurity as one of the many islets straddling the narrow straits linking the Indian Ocean and the South China Sea. The British colonial administration contributed significantly to Singapore's political evolution as a society and polity distinct from the rest of the colonized Malay world. London instructed its representatives to preserve a political culture conducive to trade by granting crown colony status to the island, investing it with its own full-time Governor. Singapore embraced functionally streamed immigration from India, China and even the Middle East, so that the governor and his officials presided over 'communities' of Chinese, Indians, Arabs and Malays, represented by a few approved leaders drawn from backgrounds in commerce, the local civil service or village administration. The colonial bureaucracy pigeonholed the races according to economic aptitude (Swettenham 1948: 123–172, 231–233). The Chinese were good for all occupations, but especially for manual labour in the godowns, factories and plantations, and for operating their own trading companies. The 'Indians', mostly Tamils, Malayalees, Gujaratis, and Sinhalese, were either brought in as convict labour or encouraged to emigrate to Singapore by the British to alleviate poverty in India; they were seen as best deployed for public works projects and plantations, with a minority establishing efficient money-lending services for themselves and the general public. Finally, the Malays were treated as fit for serving as policemen, security guards, waiters, drivers and fishermen. The Arabs were meanwhile tolerated by the colonial masters as important players in strengthening the merchant base that established Singapore's reputation as a free port for intra-Asian trade.

This motley profile was to influence Singapore's subsequent nationalist politics. While nationalist awakenings in Malaysia and Indonesia were obsessed with restoring an indigenous racial majority's political dominance – i.e. the Malays, Javanese and so forth – and revolted against blatant abuses of colonial power that exploited cheap native labour and natural resources for maximum profits, Singaporean nationalism was expressed in gentler tones against both the British and the temporary Japanese rulers during World War II. Before the end

of the War, the different racial communities tended to regard Singapore as a temporary home, with perhaps the exception of the Malays. They were tuned in to the respective nationalist currents in India, China and the Middle East, on the assumption that they would ultimately return to their ancestral homelands. The British had succeeded for more than a century in inculcating a culture of pragmatic loyalty devoid of emotional rootedness. There were negligible attempts at democratic consultation with the colonial subjects, except where the Governor chose to listen to the appointed Asian members of the Legislative Council. Moreover, the British clamped down on most manifestations of virulent anti-British movements.

It required the Japanese Occupation to stir a deeper anti-colonial awakening. One immediate impact was the visible emasculation of the British rulers' prestige in the eyes of their erstwhile colonial subjects, due to their surrender and subsequent humiliation by Japan (Christie 1998: Chapter 4). While the Japanese reproduced their emphatic anti-Chinese policies drawn from occupied China, they largely continued with Britain's 'divide and rule' attitude towards race relations in Singapore. They went further, however, in deliberately stoking antagonism amongst the races, supporting Malay nationalism, and arming Indian nationalists for a possible insurrection in British India in tandem with a Japanese invasion. The Chinese were subject to discrimination, torture and summary executions. After the Japanese were defeated by Allied arms elsewhere in the Pacific, the returning British only awakened further soul-searching amongst their subjects by mismanaging the return to civilian rule, tolerating widespread corruption and misplaced reconstruction priorities, and – what was worse – instituting a citizenship plan that sharply distinguished between permanent subjects, whose domicile was defined by their birth or by their length of stay in Singapore (Chew 1991: 361–362; Christie 1998: 188–201). Such policies catalysed the widespread feeling amongst the 'Singaporean' population of all races that the British could not be counted on to safeguard their interests. Unprecedented large-scale anti-British protests across the Straits of Johor, in Malaya, could not fail to suggest to the people of Singapore that they might struggle in tandem to throw off colonial rule, albeit with a different trajectory.

In Singapore, the British did not resort to the truncheon to squelch nationalist dissent. Indeed, once the agitation by the nationalists in Malaya reached the point of no return, London's need to hold on to Singapore diminished tremendously. Singaporean nationalists themselves had to start reflecting: Could Singapore be assimilated into the Malayan population on grounds of intertwined histories and economic viability? Most Singaporean nationalist parties adopted the platform of multiracialism, offering all races an equal stake in the future of the post-colonial nation-state (Chew 1991: 362–363). The leading parties of the 1950s and the 1960s, the Labour Front and the People's Action Party (PAP), both envisaged an ultimate federation within a Malayan political milieu entrenched along racial lines and ethnic affirmative action. The British favoured Singapore's federation with Malaya, since it would solve their security and economic conundrums once they granted independence to Singapore.

As it turned out, the politics of Singapore's brief membership in the newly-named Federation of Malaysia accentuated the differences in governing their respective post-colonial societies. For a start, Singapore's demographic profile included a 75 per cent Chinese majority, while Malaysia's exhibited a 60 per cent *bumiputra* Malay majority. While Singapore's PAP envisaged a future founded upon evolutionary multiracialism and meritocracy, the reigning coalition of ethnically-based parties in Kuala Lumpur espoused a deeper commitment to restore the rights of the indigenous people of the land – the ethnic Malays who spoke *Bahasa Melayu* and practised Islam as their sole religion. These differences could not be reconciled, especially after large-scale racial riots broke out in 1964 between Chinese and Malays, and both ruling parties decided that the Federation could not survive with Singapore and Malaysia as equal partners.

This history helps to delineate a Singaporean internal security *problematique.* At the moment of retrieving independence by virtue of being asked to leave the Federation in 1965, the independent Singapore was bereft of a natural and reliable economic hinterland; there was no reliable historical precedent for managing its independence under modern capitalism; moreover, Singaporean society was distinctively constituted in multiracial terms, but also through its practice of multi-ethnic representation within a single political party. Added to this were the lessons learned against allowing ethnic preferences to solely determine political priorities, or letting foreign models of governance (from Malaysia or elsewhere) be imitated by local political protagonists. Subjectively, all such factors fed into a multi-dimensional 'survivalist paranoia' that justified authoritarian measures to bridle the liberal democracy and socialism that had served initially as foreign inspirations to nationalist parties in Singapore. As the first PAP Prime Minister, Lee Kuan Yew, embarrassingly put it, island nations seemed like political jokes when he started out in politics in the 1950s (Wilairat 1975: 30). The nascent Singaporean national security culture was designed to pre-empt this dire scenario.

Singapore's internal security was tellingly likened by the country's eloquent first Foreign Minister, S. Rajaratnam (Rajaratnam 1987: 533–539), to a small ship navigating tumultuous seas. The official inference was that the passengers ought not to quarrel and fight amongst themselves, much less argue and mutiny against the captain and his crew. In return for obedience and support, the captain would select the most talented and capable members for his crew from among the passengers. With this internal harmony in place, the entire ship of state would sail safely across time and through any adversity. The 'tight ship' analogy also meant insulating the entire vessel against 'undesirable' ideological influences that could disrupt harmonious crew–passenger relations.

The two pillars of a Singaporean internal security culture accordingly became: first, domestic political corporatism as a defence mechanism in the face of post-colonial intermestic adversity; and second, making the Singaporean polity more just and efficient than all its neighbourly rivals in Southeast Asia (Chong 2013: 69–71). Political corporatism, under the continuous dominant party rule of the PAP since self-government in 1959, is manifested in terms of the wide range of civic and socio-economic organizations such as the People's Association; the

National Trades Union Congress, a high-level trade union confederation; the Citizens Consultative Committees; the Inter-Racial Confidence Circles; the Singapore Employers' Federation; the various foreign Chambers of Commerce; and the network of Government-Linked Companies delivering essential services such as power utilities, public transportation and telecommunications. Formal and openly competitive opposition party politics is frowned upon. This orderly picture has, however, been jolted by a series of electoral reverses suffered by the PAP from 2011 onwards. It seems the 'passengers' have been feeling pressured by the entry of foreigners aboard the ship, intensifying economic competition for jobs, schools and housing places, and consequent alienation and disenchantment with the leaders' management (Chong 2012).

The second pillar of Singaporean internal security, the need to be ideologically distinct from its neighbours, seems to have better weathered the course of time and change. It is defended through the discourse of a Singaporean democracy with Asian and other locally synthesized characteristics. These characteristics entail grafting a constitutionally-defended, multiracial principle into the electoral system; a Presidency with circumscribed powers to act as a check upon the elected parliament and cabinet; the principle of meritocracy; unstinting vigilance against persons and movements intending to violate Singapore's cherished multiracial peace; and the co-opting of a large range of civil society organizations (listed above) into a state-led national purpose. The mixture is deliberately designed to construct a Singapore *better than* its larger neighbours in terms of social justice and economic redistribution. In the long term, both pillars of internal security are intended to showcase a viable Singapore existentially defying its critics.

External sources of insecurity and coping strategies

Singapore's external threats are intricately derived from its internal political fears as well as its integration into a capitalist global economy. They fall into three concentric circles: the first featuring Malaysia and Indonesia. The second circle features the rest of Southeast Asia, wider Asia and the Great Powers; while the third features the so-called 'non-traditional security issues' that encompass economic security, environmental security and other human security topics.

In relation to Malaysia and Indonesia, there is a straightforward Singaporean concern that the more incendiary currents of nationalistic politics, as played by elites in Kuala Lumpur and Jakarta, will translate into political and military adventures at Singaporean expense. There are plenty of 'political baggage' issues left over from the past as possible triggers, including territorial disputes over the islands of Pedra Branca and its nearby islets, the maritime boundaries extending into the Straits of Malacca, and parts of the Straits of Johor affected by reclamation works on some of the Singapore-owned islands in the vicinity. Other issues only recently, or partially, resolved have included disputes arising from economic/commercial interdependence in the fields of water supply and rail development. The Pedra Branca dispute went to the International Court of

Justice in 2008 under mutual consent and the judgement consequently awarded the main island to Singapore, leaving minor islets still subject to adjudication. On the territorial defence front, Singapore remains wary of Malaysia's undeclared political ambitions vis-à-vis the 'island that separated from the mainland', and which now shows up the deficiencies in Malaysia's political economy simply by *being* a richer, yet smaller, multiracial neighbour. To insure against a Malaysian invasion, the Singapore Armed Forces maintains a technologically advanced and rigorously trained force of up to 300,000 personnel, inclusive of reserves in the army, navy and air force. While this force is probably sufficient to deter, and if necessary defeat, a Malaysian military still modernizing after decades of specializing in domestic counter-insurgency against communist guerrillas, deterrence is probably a purely psychological gambit vis-à-vis the much larger neighbour to the south, Indonesia (Huxley 2000).

With Indonesia, the 'baggage' underpinning Singaporean fears stems from Jakarta's attempt to confront both Singapore and Malaya through a low-intensity war during the brief period in which the latter were federated into Malaysia. Although Sukarno's policy of 'confrontation' with both territories ended with his removal in a coup that paved the way for a more pro-western President Suharto, Singaporeans fear that Jakarta might again treat the island state as a convenient political football should Indonesia fall back into extreme domestic dissension. Such a moment in fact recurred in 1968, when Singapore executed two Indonesian saboteurs it caught for perpetrating a bombing against a prominent city building during *Konfrontasi*. Only Suharto's goodwill stanched calls from within his own government to invade Singapore in retaliation. Another crisis moment was reached between 1999 and 2000, in the aftermath of the Asian Financial Crisis, when two Presidents in succession – Habibie and Abdurrahman Wahid – threatened to teach the Singaporeans a lesson by joining hands with Malaysia in severing water supplies to the island. If such discourse does reveal latent strategic intentions, the Singapore Armed Forces will need to signal to Jakarta that if ever the proverbial miniscule 'poison shrimp' is ingested – and even if an invasion could destroy the smaller state's practical sovereignty – it will inflict an awful lot of damage on the predator.

In the second circle, Singaporean security perceptions were heavily framed by the Cold War machinations of China, the USSR and the US, along with manoeuvres at the UN, where the weaker and smaller states were always trying to 'tie up the Gullivers' using diplomatic means. The Republic was born in the midst of the Cold War, and directly experienced the dangers of infiltration and sabotage by Communist agents throughout the 1950s and 1960s as well as Indonesian saboteurs during *Konfrontasi*. Even after the Sino-Soviet split, Beijing's propaganda vilified the non-Communist nationalist elites across Southeast Asia and pledged support for wars of revolution. Singapore became a target of the Communist strategy of funding 'open front activities', such as trade unions, professional and cultural organizations, and of mounting 'black operations' through local newspapers. The USSR was geographically further away, but its support for North Vietnam (and subsequently the reunified Socialist Republic of

Vietnam), and attempt to seed revolution southwards from Cambodia and Laos, psychologically rattled the Republic's planners. The increasingly muscular Soviet military presence at Cam Ranh Bay and Danang, in Vietnam, reinforced fears of intimidation and political blackmail by Moscow. Even the Americans were initially suspected of, and caught, using the CIA in an attempt to bribe both Singaporean intelligence officials and the PAP to do their bidding (Lee 2000: 500–501). Moreover, Premier Lee observed that the Americans tended to treat their weak Asian allies in a heavy-handed manner whenever they had expended their political utility (Lee 2000: 502–503). Yet among the Great Powers, Lee tended to see the Americans in the most consistently positive light during the Cold War. He defended Washington's armed engagement in Vietnam as a necessary holding operation that allowed Southeast Asian small states to muster psychological and economic strengths to defeat the blandishments of Communist propaganda through solid economic growth and wealth distribution. Moreover, Washington's Most-Favoured-Nation trading status was a boon for Singapore's economy.

After the Cold War, American friendship was retained even as Singapore welcomed the return of a more normalized Chinese power and the reduced Russian Federation into more constructive diplomatic roles within the Asia-Pacific region. PAP leaders argued that a multiple, omni-directional and passive balance between militarily powerful big and medium-sized powers would best preserve an Asian peace (Leifer 2000: Chapter 4). In the new fluid conditions where the Americans had to watch the Chinese as peer competitors, and the Chinese similarly with Japan and India, the Singaporeans expected that these 'multiple suns and planets' would exert sufficiently cross-cutting security gravitational pulls to cancel one another out, while simultaneously deterring any potential Vietnams or Indonesias from diplomatic and military adventures at Singapore's expense. Fostering multilateral defence relations through joint exercises of information exchange, personnel visits and tri-service exercises could help sustain this fluid balancing, while Free Trade Agreements would bind the big and medium powers into a win-win network of interdependence (Huxley 2000: 196–228).

Finally, the newly independent Singapore quickly learned the value of joining international and regional organizations as strategic multipliers to offset the hard military power of potential rivals and predators (Jayakumar 2011). Singaporean diplomats co-founded the Forum of Small States (FOSS) as an informal caucus at the UN to bring a measure of solidarity to small state positions that cut across regions and national interests. FOSS also provided the UN Secretariat with a pool of neutral states able to supply impartial chairmen and other intermediaries for assorted UN missions. Singapore has, for instance, supplied chairs for the UNCLOS negotiations in the early 1980s, the 1992 UNCED Conference in Rio de Janeiro and the 1996 World Trade Organization Ministerial Conference in Singapore. The Association of Southeast Asian Nations (ASEAN) is seen by Singaporean policy makers as a 'loose neighbourhood association' that can helpfully commit all its neighbours to the non-use of force in settling bilateral

disputes. The informal diplomatic face-saving device known as the 'ASEAN Way', that allows ASEAN members to opt out of ASEAN consensual declarations, suits Singaporean interests since it defuses bilateral confrontations on innumerable occasions. Frequent invocations of the ASEAN Spirit often allow member states to gracefully climb down from looming diplomatic and military fisticuffs (Chong 2011).

The third circle of external threats comprises 'non-traditional security' (NTS) issues, such as economic security, environmental security and other forms of human security such as the safety of foreign workers in Singapore, the safety of Singaporean workers overseas, monitoring and stopping transnational criminal activity operating through Singapore and the treatment of persons liable for extradition to other countries. It might seem that Singapore's chances of having its voice heard are tied to its open economy – integrated closely with the major Asian, European and North American states – but its concerns would register far less if it did not also belong to ASEAN, APEC, WTO, IMF and the UN. These multilateral institutions serve as agenda amplifiers and information junctions, facilitating like-minded collaboration on issues of common interest (Dent 2002). They also reduce Singapore's transaction costs, should it need to muster a moral majority to move a collaborative economic arrangement forward. The possibility of treating trade and financial negotiations as a non-zero-sum exercise serves Singapore's interest in maintaining access to financial and commodities markets.

On the environmental front, Singapore's informal coalition-building with the FOSS and other like-minded states will helpfully draw attention to global warming. Singapore's technological research and development base in bioengineering and civil engineering can offer widely applicable expertise in water desalination, eco-friendly urban planning, urban food management and tropical forest protection. Having solved its 'small state' environmental issues within a densely populated, land-hungry setting, the Republic can deploy technical soft power by offering the world small-scale, 'value-added' solutions for typical urban challenges (Chong 2013: 75–76). Perhaps more tenuous and risky is Singapore's attempt to manage, and sustain, an influx of foreign expatriates within the confines of a small island state, drawing upon the globalized economy for constant labour adjustments in step with the ebb and flow of housing projects and other infrastructure upgrades on the island. Foreigners working in Singapore have raised a host of issues for the city's police and manpower agencies through crimes they commit against both locals and other foreigners, as well as labour exploitation issues in the transport, construction and domestic help sectors (Chong 2012). These and other non-traditional security issues can only be solved through entrenched international networking by Singapore's security planners.

Present and future challenges to intermestic security

In many ways, Singapore's profile both conforms to, and defies, a strict definition of a small state. On the one hand, its modern history began as an act of British colonialism, when it became a port serving an entire portion of Her

Majesty's Asian empire. The impact of Japanese occupation and nationalist upheaval awakened the island's population to questions of their destiny, triggering the search for nationhood and statehood. Only when this new nation-state-to-be started to measure its size and dependence against its equally new post-colonial neighbours did it become self-defined as a small state. On the other hand, its internal and external sources of threats have compelled Singaporean policy makers to appraise the solutions to those problems in fairly bold ways that push the envelope in terms of advanced balancing behaviour and vigorous participation in multilateralism. This extraordinary profile, combining historically constructed challenges with tremendous efforts to overcome them, places the centre of gravity of Singapore's security within the human dimension.

First, the Republic's response to the historical legacies of population and the prevailing insecurities of an 'accidental nation', comes close to an officially encouraged culture of strategic paranoia. Security for Singaporeans means relentlessly striving to overcome the menace of resource shortages, the envy of potentially revanchist neighbours, and a complex interdependence with the world's major economies. PAP-run governments have, since 1984, promulgated a 'Total Defence' concept to deal with the mostly intermestic nature of the island's security threats, with five dimensions: social, political, economic, psychological and military. Social defence means maintaining the unity of the people in the face of a common adversity; political defence involves a whole-government approach to threats to the entire nation-state; economic defence has been explained above; psychological defence refers to the need for the citizen to be convinced of the nobility of defending the country and sacrificing one's life for it if needed; and military defence refers to the Singapore Armed Forces' mission as already outlined. Total Defence reads well on paper, but it is likely to be effective only when the citizens internalize it along with a large dose of strategic paranoia inculcated through the formal educational system. Strategic paranoia simply means that security cannot be taken for granted; it is a bicycle that needs to be ridden constantly so that the rider will not fall off. Eternal vigilance is the price for security.

Second, the Republic's concept of deterrence involves not just military elements but also 'civilian deterrence' by official and diplomatic action. Singapore's vigorous pursuit of bilateral and multilateral diplomacy seeks both to generate a reputation for reliable partnership with like-minded states, and to position the Republic as a constructive member of the international community. The hope is that larger players whose actions could damage Singapore (directly or incidentally) will think twice before going ahead with their plans, and instead consider inclusive win-win approaches. Often, as a former Foreign Minister points out, this dual thrust of deterrence and diplomacy is best achieved through driving diplomacy from the backseat:

> Sometimes, initiatives by Singapore are not well received by some officials, especially from our larger neighbours, who see themselves as the 'natural' leaders of the region or in ASEAN. We have to manage these sensitivities

> carefully while ensuring that we achieve our substantial objectives. One way is for our larger neighbours or even a third neutral country to reap the public accolades.
>
> (Jayakumar 2011: 26)

Many ASEAN declarations and the achievements of the Asia-Europe Meetings (ASEM) have been generated in this way.

In conclusion: Asian small states as political and temporal constructions

Insofar as Asian small states can offer a lesson for the generic study of small state security, it should be centred upon the idea of their artificial construction. The examples of Sri Lanka and Singapore are best understood against the backdrop of Asia's structural patterns of political evolution. As we have seen, one cannot identify more than '*proto*-states' in Asia's ancient past. Small states were inconceivable as natural and logical entities, even if polities could be classified in terms of greatness and smallness of *stature.* It is fixed territoriality, imported through the colonial experience, that introduces the modern notion of the Asian small state. It compels the state to police its borders and filter interdependence through those border controls. The consequent sense of danger from external or internal 'Others' triggers huge insecurity, to be tackled by the small state's political and bureaucratic apparatuses.

What typical security considerations may one then impute to the Asian small state? First, the political construction of the Asian small state means that it is experimenting with a new form – its fixed borders, which divide the domestic and external spheres. Within the domestic, smallness – as seen in both our case-studies – invites paranoia about unfamiliar peoples encountering one another in tight spaces under the polarizing question of recognizing citizenship. Citizenship accords rights as well as duties: hence all applicants are scrutinized both by bureaucrats and fellow-citizens for potential internal threats. This was the case of the Sinhalese vs. the Tamils in Sri Lanka, and in the existential multiracial experiment that is Singapore. One might even include the cases of the Philippines and Bangladesh in this category (Iftekharuzzaman 1998; Morada and Collier 1998). The securitization of 'belonging' is heightened in a confined territory, where quarrels are louder and more emotional, and also linked with issues of economic redistribution. Economic security is also fundamentally about who can stay and who must leave the domestic space.

Second, the temporal construction of the Asian small state derives from the political. The issue of 'who goes and who stays' within the domestic realm can also be referred to history: but history itself can be reinterpreted to reverse the categories of admission vs. ejection. As our case-studies show, moreover, temporal understandings of small state security can also be derived from hegemonic interpretations imposed from neighbouring states and Great Powers. If these actors seek to turn the small state into a direct appendage of their security

perimeter, the classic small state dilemma articulated by Annette Fox and David Vital comes into play (Vital 1967: Fox 1959). The weak fear the strong and submit, but mostly in response to the dominant international and regional orders *of their time*. In the cases studied in this chapter, the Cold War placed a new and alien straitjacket upon small state security concerns. One can think of the cases of Laos, Nepal and Taiwan, and, at a stretch, South Korea and North Korea (Hickey 2000; Hey 2003; Kang 1998). Even for small states that were not so clearly converted into proxies, big-power rivalries and designs of strategic ambition generated significant external security discomfort and distortion of domestic priorities. Thus, one might say that in the light of this study, the international security of the Asian small state is a product of accidental construction. Asia's ancient history and its present confirm that diagnosis through contrast.

Notes

1 See Chapter 1 in this volume.
2 A good survey of the 'constructivist approach' to state security analysis can be found in (Zehfuss 2002: 10–23).

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13 What Caribbean post-2015?

Developmental and/or fragile? Old versus new security?

Timothy M. Shaw

> … the circulation of commodities is one of the unifying aspects of Caribbean history.… Globalization has not just happened to the Caribbean, the Caribbean has participated in the making of globalization … four things … circulate: people, capital, drugs and information.
>
> (Bronfman 2007: 5–6)

> Perceptions of Caribbean security are shifting with the world-wide emergence of a 'new security agenda'.… This blurred the boundaries between crime, migration, and war and the distinctions between criminal, migrant and enemy.
>
> (Bowling 2010: 3)

Introduction

Severe security challenges are not new to the small states of the Caribbean.[1] The Caribbean was the centre of piracy in the seventeenth century; in the twenty-first, it is at the core of the global, especially Western hemisphere, drugs trade and related criminal activities – what has been called the drugs/gangs/guns/masculinities nexus (Bagley 2012; Naim 2006; Naylor 2005) – as well as serving as a sensitive bellwether for environmental (UNEP 2008) and economic (Pantin 2005) security. Transnational organized crime (TOC) is nothing new in the region (Farer 1999; Madsen 2009), but it has become technologically more sophisticated: from sailboats to cell-phones, cutlasses to AK47s. In former times, the response was colonialism and the Royal Navy. Today the reaction is expressed through efforts for human security and development (Bowling 2010: 279–309), focusing especially on environmental security but also 'citizen security' (UNDP 2012a, b and c) and 'private security' (Friman and Andreas 1999) – the last refuge for the middle class in fragile states? This chapter uses both comparative/generic, and, specifically, Caribbean, cases and insights (Harriott 2003; Townsend 2009; UNDP 2012b) to illuminate old and new security challenges (Clarkson *et al*. 2013; Friman 2009; Glenny 2009)

What is security in the Caribbean?

There are many definitions of the Caribbean(s): from the more 'micro' to the more 'macro', the latter including diasporas in North America and Europe. To identify and understand the security challenges of the region, this chapter seeks to go beyond the 'new regionalism' of non-state (corporate and civil society) formulations, towards recognition of the important informal and even illegal dimensions (Fanta *et al*. 2013). The Caribbean can be understood as more than a set of either formal or informal economies/societies/polities, however compatible or otherwise these may be; it can also be addressed in terms of transnational diasporas and/or as a nexus of drugs/gangs/guns/masculinities (Harriott 2003; Townsend 2009). Hence the focus here on five sets of overlapping 'transnational' relationships that pose challenges to national and regional, human and citizen securities (Bowling 2010): transnational families, civil societies, supply chains including offshore finance/money-laundering (Palan *et al*. 2010; Vlcek 2008), crime networks and governance nexuses (Bronfman 2007).

To carry out this conceptual approach, several analytical traditions will need to be employed; not just the notion of small island states as developed in international relations, international political economy and international development studies, but also insights from anthropology, criminology, development, history, security, sociology, transnational phenomena and especially 'new regionalisms' (Shaw *et al*. 2011). Together these will inform the prospects of several alternative, analytical and applied, future scenarios for the Caribbean in the post-Millennium Development Goals (MDG) world after 2015 (Singh and Izarali 2013). Will the region's dominant character be more developmental (Kyung-Sup *et al*. 2012), and/or fragile (Brock *et al*. 2012)? The Caribbean example suggests that the heuristic, 'varieties' perspective could be extended from capitalisms to versions of security. Islands are unavoidably outward-looking, and include myriad diasporas, so their trans- and non-national relations are vulnerable to both old and new security challenges (Bowling 2010: 31–36). This is true regardless of whether the challenges arise from old or new imperial powers, from the Europeans and US, or from the BRICs (Brazil, Russia, India and China) and other emerging economies/powers like MIST (Mexico, Indonesia, South Korea and Turkey) (O'Neill 2011).

In order to understand Caribbean small state security, this chapter juxtaposes a set of 'transnational' relations (Brown 2011; Hale and Held 2011) – families, civil societies, supply chains, crime networks and governance nexuses – with notions of new as well as old security These seem to fit or resonate in the case of today's Caribbean(s). Both the transnational and the regional spheres include economic, ecological, social and state relations, both formal and informal. Together they can advance analyses of both the transnational and the regional dimension (Laursen 2010), and they suggest a range of possible futures for Caribbean actors before the end of the second decade of the present century (Bishop 2013; Bishop and Payne 2010; Payne and Sutton 2007), as indicated in the concluding paragraphs. But they also include old and new security

dimensions, both national and human. At the start of the present decade, the Caribbean – reinforced by Central America – advanced a novel notion of 'citizen security' in response to the ubiquitous guns/gangs/drugs/masculinities nexus (UNODC 2012), as discussed below. As Ben Bowling (2010: 4) indicates:

> … 'new' security threats are by no means restricted to the Caribbean. All over the world, security sector leaders have become concerned with TOC, drug trafficking, international terrorism, people smuggling, human trafficking, money laundering and cybercrime. However, the history, geography, and political economy of the Caribbean make it uniquely vulnerable to particular forms of transnational criminality.

Given the contemporary variety of regional security issues and responses at the start of the second decade of the twenty-first century (Griffiths 2004; Harriott 2003; UNDP 2012a), the adoption of a 'new' transnational and regionally defined perspective on today's Caribbean would seem to be appropriate (Mace *et al*. 2011). Orthodox frameworks cannot capture the diversity and dynamism of contemporary regional security dilemmas, which operate not just at micro-, meso- or macro-levels, or in inter- and non-state contexts, but also increasingly include informal and illegal transactions at all levels and in all sectors (Soderbaum and Shaw 2003). Enquiring into the interconnections among these three or four distinct yet interrelated 'regions' also challenges traditional disciplinary approaches (Singh and Izarali 2013).

Furthermore, inter-regional relations are also of growing salience, even when duplicative or competitive rather than compatible or cooperative, as a reflection of the proliferation of organized regions at all levels. This is especially so of relationships built around the European Union (EU) with its 27–28 members, such as the Asia-Europe Meetings (ASEM), Economic Partnership Agreements (EPAs) (Laursen 2010), Mediterranean policies (Zank 2009), and sectoral systems of pipeline projects and the like (Aalto 2008), as analysed by the academic networks NETRIS[2] (Fanta *et al*. 2013) and GR:EEN,[3] which share the United Nations University's Comparative Regional Integration Studies programme[4] as their hub. The distinctive, divergent character of different regions has intensified as the current 'global' financial crisis has impacted them differently. Asia has been less affected than either the EU, the North American Free Trade Area (NAFTA) or the North Atlantic; hence the focus in the UN Development Programme's (UNDP) 2013 Human Development Report (UNDP 2013) on 'The Rise of the South'.

Finally, the Caribbean region – like all other groups of Small Island Developing States (SIDS) – faces profound transnational environmental as well as economic challenges, as regularly outlined at the annual Conferences of the Parties to the UN Framework Convention on Climate Change (UNFCC) and other international debates on the follow-up to the Kyoto Protocol. The reporting of relevant hazards by the UN Environmental Programme (UNEP 2008) and other authorities is definitive; hence the advocacy of regional environmental networks

like the Caribbean Natural Resources Institute (CANARI)[5] and the establishment of the Caribbean Community Climate Change Centre (CCCC) in Belize.[6] In turn, this is tending to shift the balance of prominence between the Association of Caribbean States (ACS)[7] and the Caribbean Community CARICOM,[8] since the former – despite being more 'meso-' in scale, including the isthmus as well as the islands – has always been more concerned with the environment than the latter.

Security and society in the Caribbean

> What constitutes the Caribbean?… Among scholars, 'the Caribbean' is a socio-historical category … it embraces the islands and parts of the adjoining mainland … and may be extended to include the Caribbean Diaspora overseas. As one scholar observes, there are many Caribbeans.… In short, the definition of the Caribbean might be based on language and identity, geography, history and culture, geopolitics, geoeconomics, or organization.
>
> (Girvan 2005: 304)

Societal developments and security challenges are closely intertwined in the Caribbean. Keeping in mind the discussion in Chapter 2 on societal and human security, this section explores the close relation between society and security in the region.[9] The 'Caribbean' can be more narrowly and broadly defined, ranging from a set of all/some of the heterogeneous islands, to versions that include both islands and mainland Central America – *el gran caribe* – and that stretch to the extra-regional diasporas. In the formal terms of intergovernmental institutions, this means progressing from smaller groups like the Organization of Eastern Caribbean States (OECS), through CARICOM and the Caribbean Cooperation and Development Committee (CDCC) to the ACS, which we have noted as being more focused than others on the 'green' agenda. In terms of non-state actor definitions, it means academic/civil society networks ranging from the Caribbean Development Policy Centre (CPDC to the wider Coordinadora Regional de Investigaciones Económicas y Sociales (CRIES) and Caribbean Studies Association (CSA); and for the private sector, corporate structures ranging from Unilever to Nestlé, from the Republic Bank to RBC or Scotiabank, from Caribbean Airlines to Copa, or from B-Mobile and Flow to Digicel. In this context, admittedly, spillover from the recent crisis in the form of the demise of the Colonial Life Insurance Company (CLICO) and Stanford corporate empires has had a continuing negative impact (ECLAC 2009). And cutting across such geospatial and economic networks are linguistic communities: anglophone, francophone, Dutch-speaking and Spanish-speaking, along with several Creoles.

While a few analysts have recognized such diversity in the formal political economy of the Caribbean, extending to the diasporic, few have extended their analysis to the informal and illegal spheres. Just two chapters out of the 37 in the encyclopaedic reader on *The Caribbean Economy*, edited by the late Dennis Pantin (2005), treat levels of interaction/integration (Chapter 14 by Norman

Girvan) or diasporas/remittances (Chapter 29 by Wendell Samuel). The present chapter seeks to go beyond such orthodoxies in view of the generic spillover from the informal and illegal, which has important inter-regional implications, not least for security.

The new regionalism(s) perspective (Shaw *et al*. 2011) has itself generated a debate about the informal and illegal dimensions, which earlier and more formal analyses at the end of the last century – from the UNU-World Institute for Development Economics Research (WIDER) through to UNU-CRIS (Hettne and Inotai 1994; Hettne *et al*. 1999; Soderbaum and Shaw 2003) – tended to exclude even from what was then called 'new' regionalism (singular). Here, however, I take the informal and illegal to be inseparable from the formal and legal in terms of definitions and implications of Caribbean relations in the second decade of the twenty-first century (Shaw 2010b).

Symbolic of the contrast between the formal and informal, the legal and illegal, is the irony of the region's de facto 'free trade' in drugs and guns (Bagley and Walker 1994; Farer 1999; Friman 2009; Fiorentini and Peltzman 1997; Griffiths 2004; Madsen 2009), contrasting with the myriad *de jure* restrictions on trade in legitimate goods. The Caribbean continues to be a major route for drugs even if Central America and now West Africa are also growing as entrepots: there are variable 'balloon effects' depending on preferred drug and market (Bagley 2012; Seelke 2011). Yet the Caribbean Single Market and Economy Strategy (CSME) has been largely stillborn, while despite all efforts of the uniformed services, organized crime flourishes. Similarly, informal sector traders – ubiquitous 'higglers' – circumvent myriad obstacles even when regular supply chains cannot. And private security companies – both local and global, legal and otherwise – are increasingly substituting for ineffective official police, thus further redefining the state in the contemporary Caribbean: from colonial/independent/dependent to transnational, and now on to narco-islands (Bishop and Payne 2010).

The borderline between legal and illegal, formal and informal is of great importance in the Caribbean given the fine line between, say, offshore banking and money-laundering (Vlcek 2008), the jewelry trade and property development. Hence the evolution of international efforts at regulation: from the Organization for Economic Cooperation and Development's (OECD) Harmful Tax Competition Initiative, to the same organization's Financial Action Task Force (FATF),[10] and its Caribbean office established in Trinidad and Tobago in the early1990s,[11] to Tax Information Exchange Agreements (TIEAs). The first Obama Administration and the global financial crisis led, further, to the establishment of a Global Forum on Transparency and Exchange of Information for Tax Purposes to monitor/peer review related progress. A variety of island jurisdictions are involved in such transactions, ranging from Jersey and Mauritius to Barbados, Bermuda, the Cayman Islands and Trinidad and Tobago (Palan *et al*. 2010). Hence the imperative to standardize and monitor forms of compliance at the end of the first decade of the twenty-first century, intensified by the continuing 'global' – or at least EU – economic crisis.

Some of the diversity of the Caribbean can be captured in various sets of contemporary regional indicators, from GDP per capita and the Human Development Index (HDI) to competitiveness and homicide rates. Here, I concentrate on the seven Most Developed Countries (MDC) identified by the Caribbean Development and Cooperation Committee (CDCC) of the Economic Committee for Latin America and the Caribbean (ECLAC):[12] Bahamas, Barbados, Belize, Guyana, Jamaica, Suriname and Trinidad and Tobago. This sub-branch of ECLAC includes nine 'associated states' from amongst the EU's Overseas Countries and Territories (OCTs), drawn from the British, Dutch and US islands, several of which play important communications and financial roles, both legal and otherwise.

Per capita purchasing power parity (PPP) incomes in the Caribbean stretch from US$31,900 for the Bahamas to US$1,300 for Haiti (see Table 13.1). The region likewise is mid-ranked in the World Economic Forum's Global Competitiveness Index (covering 133 countries):[13] Puerto Rico at number 42, and Barbados at number 44, lead, with Suriname (number 102) and Guyana (number 104) trailing; in mid-field, Trinidad and Tobago is number 86, Jamaica is number 91 and the Dominican Republic is number 95. The region scores quite well in terms of the UNDP Human Development Index (UNDP 2009), being concentrated in the High and Medium HD categories. Only Barbados is categorized as Very High, at number 37 out of 182; otherwise, the

Table 13.1 Caribbean incomes per capita, 2012

In constant US$ (PPP): CARICOM average US$6,439	
Bahamas	31,900
Barbados	25,800
Trinidad and Tobago	20,400
Antigua and Barbuda	18,300
St Kitts and St Nevis	16,500
Dominica	14,400
Grenada	13,900
St Lucia	13,300
Suriname	12,600
St Vincent and the Grenadines	12,000
Dominican Republic*	9,800
Jamaica	9,300
Belize	8,900
Montserrat	8,500**
Guyana	8,100
Haiti	1,300
Average	14,062.5

Source: CIA World Factbook (2012).

Notes

* Not member of CARICOM (see www.caricom.org/jsp/community/member_states.jsp?menu=community)

** 2006 estimate.

range is from Antigua and Barbuda at number 47, to Haiti at number 149, with Cuba at number 51, Trinidad and Tobago at number 64, Suriname at number 97, Jamaica at number 100 and Guyana at number 114. UNDP's ranking (2012c) of Caribbean regional HDI at the turn of the decade presented a similar range, from Very High/High (Barbados, Bahamas and Trinidad and Tobago over 0.760) to Medium Human Development (Belize, Suriname and Guyana), and Low for Haiti (0.545).

Compared to other regions, the Caribbean is under-represented in the eighth annual ranking (2012) of the Failed States Index published by the journal *Foreign Polic*y: just Haiti at number seven appears in the top ten, with no other Caribbean states in the list of 60 (cf. Baranyi 2011; Brock *et al*. 2012: 130–134).

In terms of homicide rates (UNODC 2012), however, the region presents impressive statistics, with Jamaica's 59.5 per 100,000 in 2008 being just below the world's highest rate from Honduras at 60.9, while Trinidad and Tobago at 39.7 beats Columbia at 38.8; St Kitts at 35.32 just trails South Africa's 36.5. Other high rates are reported for Anguilla at 27.6, Dominican Republic at 21.5 and Puerto Rico at 20.4, with the lowest levels coming from the Bahamas at 13.7 and Barbados at 8.7. The US rate is 5.2 per 100,000 of the population.

The impact of armed violence on achieving and sustaining the Millennium Development Goals was the subject of a symposium at the University of the West Indies' Institute of International Relations in late June 2010. At the turn of the decade, UNDP undertook a project with leading Caribbean analysts, such as Anthony Harriott (2003), to prepare a regional questionnaire on 'citizen security' (UNDP 2012c), designed to highlight, analyse and capture the negative consequences of such violence on human development/security. It advanced 'citizen security' as an authentic, resonant Caribbean concept (UNDP 2012a).

Symptomatic of Caribbean issues implicating North America was a major police raid in Toronto in May 2010 by a thousand police officers, leading to the arrest of some 80 alleged members of the Jamaican 'Shower Posse' gang or network. Shortly after, in mid-2010, came a protracted and bloody shoot-out around Kingston's Tivoli Gardens in the attempt to capture and extradite 'Coke' Dudus – who had been energetically protected by Prime Minister Goulding – to the US: a case that was symptomatic of the corrosive effects of drug lords on states' autonomy (Friman and Andreas 1999; Girvan 2005).

Transnational trends and Caribbean small state security

Having shown that transnational economic, environmental and regulatory processes among others are of central importance for small state security in the Caribbean, this section zooms in on the importance of the transnational aspect of families, civil society, supply chains and crime networks for security, and discusses the response to these developments in the form of transnational governance.

Transnational families

> The creation of Caribbean transnational networks rests on the foundation of a transnational family, in which migrants and their families have multiple home bases with ongoing commitments and loyalties that straddle territorial boundaries.
>
> (Wiltshire 2006: 175)

Contemporary, like historical, migration has been very uneven throughout the Caribbean, with recent outflows being most significant from Guyana and Jamaica to North America and from Suriname to the Netherlands (some 200–250,000 Surinamese now in the Dutch diaspora vs. 450,000 at home). There are estimated to be as many Guyanese in the US, especially in New York City, and Canada, particularly Scarborough Ontario, as at home: +/–700,000 each. Their presence, along with technological changes, has led to a dramatic rise in international communications, such as phone conversations, especially using mobiles and phone-cards, and airline flights, with remittances growing from US$20 million in 2000 to US$200 million mid-decade. Guyana's reliance on remittances is highest in the Latin America-Caribbean region; it is even higher than Haiti's (IDB 2009: 10) and provides a quarter of GDP. Similarly for Jamaica, which has some million Jamaicans abroad and less than three million at home, with remittances totalling US$2 billion in the mid-2000s – some 20 per cent of GDP (World Bank 2008). Western Union and Moneygram have become ubiquitous in diasporic communities in the north and capital cities in the south, even if remittance flows, particularly from the US and southern Eurozone members like Spain, have been under pressure since the 2008 financial crisis.

Remittances to Latin America and the Caribbean (LAC) grew throughout almost all of the first decade of the twenty-first century, but peaked in 2006–2008, declining in 2009 back to 2005 levels (ECLAC 2009) as a reflection of the knock-on effects of the global financial crisis, particularly in the trans-Atlantic centres of the US and the UK. However, when inflation is factored in, remittances in local currencies may have actually increased in 2009, and flows are expected to stabilize at the start of the second decade (IDB 2009: 3). The overlap between remittances, money-laundering and income from drugs, is problematic; Mexico may receive as much as US$20–40 billion each year from the drugs trade with the US.

Transnational Caribbean families can be considered as central to the evolution of transnational civil society focused on the region (Reis 2004; Scher 2009; Thomas-Hope 2009).

Transnational civil society

> The Caribbean is a unique and complex concatenation of virtually every ethnic group in the world … sociopolitical traits have been amalgamated and Eurocentric dominance has been mitigated. The region has truly been a

> crucible of various cultures. This blending, not only of institutions but also of ethnicity, has produced the uniquely Caribbean Creoles.
>
> (Hillman 2009: 11–12)

The digital revolution has transformed both political economy and social culture, let alone informal and illegal flows, around the Caribbean, notably through a trio of 'transformative processes: the introduction of cellular telephones, the adoption of the internet, and the proliferation of offshore gambling sites' (Bronfman 2007: 12).[14]

The region has always been defined by its music and sports, as well as cuisines, symbolised by Carnival and other festivals. If its legendary cricket prowess has been in decline, some of its athletes have excelled at the recent summer Olympics. Such skills are reinforced by diasporic connections, such as cricket teams in the UK county competition, or now, India's Premier League

Diasporas can make demands regarding development, democracy and security back home, potentially with an impact on the North's foreign policies. This aspect of 'double' public diplomacy (i.e. both *inside* and *about* the Caribbean) was symbolized by the last months in office of Michaëlle Jean as Governor-General in Canada, when she was also a celebrity diplomat for her native Haiti after its 2010 earthquake; in turn, this generated her post-retirement appointment as a UNESCO Ambassador. Of note also, is the proliferation of Home Town Associations, most active when natural disasters hit home, as in diasporic responses to the earthquake in Haiti.

Just as transnational Caribbean civil society has well-established historical roots, so too the region's supply chains go back centuries and include the flow of forced as well as free people.

Transnational supply chains

> … the circulation of commodities is one of the unifying aspects of Caribbean history. All islands are shaped by things that circulate, and more so in the recent past, when aspects of globalization have made it easier for things to circulate at greater quantities and greater speed.
>
> (Bronfman 2007: 5)

Supply chains around the region have evolved from barrels to containers and air-freight/couriers using cell-phones and tracking devices. Each brand's hubs are distinctive, while personal postboxes are bought in Miami to be used as offshore addresses; methods range from banana boats and Cable and Wireless to Flow and B-mobile internet connections, commercial courier services and more.

The thin red line(s) of imperial connections based on traditional industrial technologies have been superseded, post-independence, by post-industrial, digital technologies leading to real and virtual hubs and spokes. Regional and global hubs rise and fall around older and newer supply chains (Gibbon *et al*. 2010), impacted by technological and infrastructural as well as security developments. Examples are

the expansion of the Panama Canal and container ports, or Copa (as well as Caribbean Airlines): reflecting emerging economies vs. emerging powers, including emerging cities. The whole process has been accelerated by the recent global crisis, which has redefined vulnerability and resilience, especially for small island developing states (SIDS) (Cooper and Shaw 2013), thereby also reinforcing the imperative of transnational governance as discussed below.

As Bronfman (2007) and others indicate, with modernity, the region has 'advanced' from spices to drugs, cutlasses to guns, pirates to gangs, gunpowder to AK47s, depending on supply and demand, regulations and enforcement. Novel forms of supply chains exploit the 'dark' side of globalization, including intellectual property violations via pirated CDs and apps (Naim 2006). In response, extraterritorial EU and US rules tend to impact both goods and services (Gibbon *et al*. 2010), compounded by diasporic demands/expectations in the North.

Transnational crime networks

> Illicit flows of all kinds have been part of the Caribbean's history. Goods have circulated to the region, from the region, and through the region.
>
> (Bronfman 2007: 8)

> Jamaica occupies a unique place in the history of illicit flows because both marijuana and cocaine move in and out of the island.
>
> (Bronfman 2007: 12)

In the late 1990s and early 2000s, the security challenges described above resulted in a rethinking of what security is and how policy makers may respond effectively to the challenges at hand (Bagley 2012; Bagley and Walker 1994; Fiorentini and Peltzman 1997; Friman and Andreas 1999; Friman 2009; Madsen 2009). Symbolizing the burgeoning Southern 'agency' over drugs – as with other contemporary issues such as global warming and resource extraction – the Latin American Commission on Drugs and Democracy,[15] chaired by a trio of eminent ex-Presidents, has begun to redefine the discourse away from criminalization and towards health, society, economy and so forth (Bagley 2012; Seelke 2011). In turn, it spawned two further Commissions – Global and West African – all seeking to contain the violence of the global inter-regional trade through decriminalization: 'towards a paradigm shift' to end the unwinnable 'war on drugs'.

In response to escalating violence, policy discussions have generated intergovernmental institutions like the CARICOM Implementation Agency for Crime and Security (CARICOM-IMPACS)[16] and professional networks like the Association of Caribbean Commissioners of Police (ACCP)[17] and the Caribbean Association of Judicial Officers (CAJO)[18] (Bowling 2010: 321–323). Meanwhile, as confidence in state security declined, the private security sector has expanded and diversified, both at the national (e.g. Guardsman in Jamaica and northern Caribbean)[19] and the global level (e.g. G4S, see www.g4s.com, accessed 30 June 2013): but by whom/how is it to be regulated? The Montreux

Document (2011), which proposes a code of conduct for private security companies, offers one such framework, and many locally active companies have signed up to it.

In 2012, UNODC estimated that the global drugs sector was worth over US$300 billion or approximately 1 per cent of global GDP annually (UNODC 2012). The value of drugs increases the further they are away from production, where their value is low; it multiplies 200 times between production and consumption, especially when moving from South to North. Hence the spread of narco-states or shadow states into the Caribbean, with their distinctive state–economy balances (Harriott 2003; Glenny 2009; Griffiths 2004; Naim 2006; Townsend 2009), including Guyana, Haiti, Jamaica and Puerto Rico. Legal remittances (IBRD 2006; IDB 2009) and illegal money-laundering (Naylor 2006), have attracted G8 and OECD attention, leading to the aforementioned Caribbean branch of FATF (UNODC 2010; Vlcek 2008). In the US, the drugs sector is worth some US$200 billion annually including crime, health, policing and productivity costs; in the EU the sector costs *c*. €35 billion annually. Hence the imperative for 'transnational governance' responses to the challenges posed by both formal/legal and informal/illegal transnational relations (Brown 2011; Shaw 2010a).

Interestingly, based on late-2010 national surveys, the UNDP (2012a) has itself begun to advocate the notion of 'citizen security' to advance freedom from fear in the region, based on a regional survey at the start of the decade (UNDP 2012b). This goes beyond generic notions of collective human security/development to reflect both the nature of personal/familial insecurity in the contemporary Caribbean, and popular opinion about fear of crime, victimization and limited confidence in the police and justice system (UNDP 2012b). The concept constitutes a welcome Southern reaction to 'global' insecurities, as it presents an authentic Caribbean voice. Human security focuses on collective good; citizen security on individual/family/community, etc. as reflected in the Caribbean Regional HDI already mentioned, which broadly repeats the annual global analyses/rankings (UNDP 2012c). As Bowling (2010: 283) asserts: 'The greatest threat to security in the Caribbean is not the consumption of drugs, but the armed violence and corruption that are endemic to illicit markets'.

Transnational governance

> While private authority beyond the state has become a popular theme of academic writing, the role of stakeholders in the Southern hemisphere as objects and subjects of private transnational governance has rarely been addressed in the literature.
>
> (Dingwerth 2008: 607)

'Transnational studies' (Khagram and Levitt 2007) have further emphasized the development of 'transnational governance' (Hale and Held 2011) as a generic set of responses to novel and emerging 'global' issues (Shaw 2010a). Given the

characteristic inclusion of non-state actors, the process may also be described as 'private transnational governance' (Dingwerth 2008), 'non-state transnational transfers' (Brown 2011) or 'non-state market-driven' governance (Bernstein and Cashore 2008), depending on discipline, case, period, etc. It is usually 'hybrid', typically involving a range of heterogeneous actors, non-state as well as state, acting in partnerships as in the classic International Campaign to Ban Landmines that led to the 'Ottawa Process'.[20] The rich variety of such alliances, campaigns, certification schemes, codes, commissions, councils, initiatives, networks, partnerships and processes, etc. is captured in tables in Dingwerth (2008: 628–630) and Bernstein and Cashore (2008: 281–283).

Such transnational or 'global' governance can be treated as an extension or contemporary form of established international law and international organization, which have been primarily, even exclusively, intergovernmental. The new approaches have evolved from the Ottawa and Kimberley Processes, through Forestry and Fisheries Certification schemes, to the discrete initiatives now brought together in the International Social and Environmental Accreditation and Labelling Alliance.[21]

New forms of governance for the several Caribbeans may lead to alternative futures by 2015 or the end of the current decade (Bishop and Payne 2010; Payne and Sutton 2007): moving from orthodox small state alliances to address myriad Caribbean/global concerns, including climate change (Shaw 2010a). Public or network diplomacy by SIDS can maximize leverage internationally by using non-state partners, such as private sector and civil society, media and culture (Cooper and Shaw 2009; Shaw 2010a). Caribbean diasporas can impact a range of both home- and host-country policies. New governance networks can develop, sometimes in rather unlikely sectors (cf. Iheduru 2011 on African examples). Further, because of its numerous countries and hence votes, the Caribbean is active in inter-regional processes such as CARIFORUM's Economic Partnership dialogue with the EU, besides links with MERCOSUR[22] and the Organization of American States within the hemisphere (Mace *et al*. 2010), and with the African Union and the Association of Southeast Asian Nations beyond it (De Lombaerde and Schulz 2009).

Based on this discussion, it is possible to identify two important trends. The first concerns a redefinition of security in the region. Threats to national and human security from 'old' and 'new' factors, such as climate change and gang culture (Bronfman 2007: 63–85; Griffiths 2004; Naim 2006; Townsend 2009) have promoted: (1) the novel notion of 'citizen security' (UNDP 2012), and (2) 'transnational security', as terrorism and crime cannot be defeated in one country alone (Bowling 2010). This also means engaging new types of actors and interests, especially in soft law arenas like fisheries and forest certification (Bernstein and Cashore 2008; Dingwerth 2008), while recognizing that illicit global sectors are amongst the world's freest and may involve major, under-recognized 'multinational corporations'. Accordingly, Friman and Andreas argue that the 'illicit global economy' needs to be recognized for its 'transnational nature … and its global scope' and advocate 'the inclusion of the illicit global economy in the central debates within the international relations literature' (Friman and Andreas

1999: 5, 17). As Bowling (2010: 315) concludes, transnational responses are imperative in response to transitional crime:

> Transnational security cooperation must be harnessed more closely to the needs of local neighbourhoods if it is to become part of the solution to community insecurity.… We should admit that the 'war on drugs' has been ineffective in its own terms and counterproductive in the pursuit of human security.

More generally, an infinite range of issues and relations at all levels, involving myriad, heterogeneous actors/coalitions/networks (Shaw *et al*. 2011), is transforming the meaning of Caribbean regionalisms and security.

The second trend involves new small state vulnerabilities. Small polities, a growing proportion of the world's states, are increasingly affected by climate change and illicit economies *inter alia.* How far should they be considered vulnerable rather than resilient in the changing global economic and environmental context (Bishop and Payne 2010; Cooper and Shaw 2013)? These vulnerabilities are closely related to the trends just mentioned in transnational relations, both formal and informal, legal and otherwise (Khagram and Levitt 2007).

What/whose security post-2015?

> If the Caribbean was an invention of the 20th century, it seems certain to be reinterpreted and perhaps transcended in the 21st. The Caribbean of tomorrow will not be an exclusively Anglophone or Hispanic conception; and it will not be tied exclusively to geographic space or definition. If it survives at all, it will be a community of shared economic, social and political interests and strategies that encompasses different languages and cultures and the Caribbean Diaspora.
>
> (Girvan 2005: 315)

Just as we may identify several Caribbeans (Mohammed 2009), so we may abstract several futures beyond 2015 and the demise of the MDGs (Bishop and Payne 2010; Payne and Sutton 2007), including scenarios along the vulnerable and resilient divide (Cooper and Shaw 2013). But this dialectic becomes more problematic or complicated when more informal and illegal transnational relations are incorporated, with diasporas and remittances becoming increasingly salient. Hence the need to address the old/new security distinction: What balance by 2015?

Clearly, only a minority of Caribbean political economies are likely to achieve 'developmental' status, with hopefully a similarly small minority slipping into the ranks of the fragile or failed, like Haiti (Baranyi 2011; Donais and Korr 2013; Muggah 2005). The majority will have their prospects largely determined by a mix of regional and global fortunes, increasingly impacted by climate change; hence the persistence of fragile or failed states. Developmental and democratic deficits will persist, moderated by ubiquitous connectivity

facilitating continuous transnational communication. And by 2020, if not before, Caribbean relations with the BRICS will come to balance if not exceed those with the North Atlantic rim (Mace *et al*. 2010).

The kaleidoscope of different Caribbeans, both contemporary and historical, advances and reinforces notions of varieties of capitalisms and civil societies as well as the plurality of regionalisms. It should continue to inform debates about the compatibility or competitiveness of such formal and informal, macro- and micro-regionalisms: all features that will help determine the Caribbean's destiny as the MDG era ends in 2015.

Notes

1 On the concept of small states and its relevance for understanding small state security, see Chapter 1 in this volume.
2 See www.netris-acp.org (accessed 30 November 2013).
3 See www2.warwick.ac.uk/fac/soc/csgr/green/(accessed 30 November 2013).
4 UNU-CRIS, see www.cris.unu.edu (accessed 30 November 2013).
5 www.canari.org/ (accessed 30 November 2013).
6 www.caribbeanclimate.bz (accessed 30 November 2013).
7 www.acs-aec.org (accessed 30 November 2013).
8 www.caricom.org (accessed 30 November 2013).
9 In accordance with Chapter 2, this chapter understands societal security problems as damaging society both physically and in its established peaceful routines, while human security is understood as related to both 'freedom from fear' and 'freedom from want'. See Chapter 4 in this volume on societal security for a more comprehensive discussion of the concept.
10 See, www.fatf-gafi.org/ (accessed 30 November 2013).
11 See, www. fatf-gafi.org/ (accessed 30 November 2013).
12 See www.eclac.org/portofspain (accessed 30 November 2013).
13 See, www.weforum.org/issues/global-competitiveness.
14 On the latter, see Andrew Cooper (2011) on the rise and fall of gambling based in Antigua, under bilateral US pressure, which the WTO was unable to contain.
15 See, www.cbdd.org.br/blog/tag/comissao-latino-americana-sobre-drogas-e-democracia/ (accessed 30 November 2013).
16 See, www.caricomimpacs.org/impacs/index.php?option=com_content&format=feed&type=rss (accessed 30 November 2013).
17 See, www.accpolice.org/accp/default.asp?V_SITE_ID=6 (accessed 30 November 2013).
18 See, www.thecajo.org (accessed 30 November 2013).
19 See, www.guardsmangroup.com (accessed 30 November 2013).
20 See, www.icbl.org (accessed 30 November 2013).
21 See, www.isealalliance.org (accessed 30 November 2013).
22 See, www.mercosur.int (accessed 30 November 2013).

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14 The security concerns of designed spaces

Size matters

Godfrey Baldacchino

Introduction

Recent years have seen a crescendo of complaints by the OECD, the EU, governments of large countries and 'tax justice' organizations vilifying the practice of offshore finance:

> Through complex networks of financial centres and secrecy jurisdictions – serviced by an infrastructure of accountants, lawyers and bankers – countries are deprived of a sufficient tax base to support good governance, and illicit activities that feed corruption and violent conflict are encouraged.
>
> (Mackenzie 2012: 1)

As a result, the offshore financial system should be '…recognised as a threat to human security' (ibid.). In the wake of a systematic process of crackdown, shaming and condemnation, many small states and territories have had to take measures that improved the transparency and reduced the anonymity of their offshore finance regimes. And yet, the world of offshore finance is not going away any time soon. Just because the small guy is at the wrong end of the stick does not mean that the big guy gets to have his way. Just being controversial does not mean that offshore finance centres, and the states that host them, will go out of business.

This brief yet timely cameo helps to capture the argument of this chapter: the absolute size of a state can have a significant influence on the extent to which power asymmetry translates into powerlessness for the smaller player. This volume departs from an understanding of small states – Lilliputian, as they have also been called (Keohane 1969; Neumann and Gstöhl 2006) – as the weaker actors in asymmetric power relationships (see the discussion in Chapter 1 of this volume). They are often considered as reactive players in the international system (e.g. Handel 1981); and face an 'inevitable deficit of power', whether in trying to coerce, or resist being coerced by others (Mouritzen 1997: 101–106). And this may well be so, in some cases, some of the time. But there are clear departures from this behavioural syndrome. Just as in a David and Goliath contest, David can win, against all odds, and live another day. And, as Keohane (1969: 310) reminds us, Lilliputians can overwhelm a Gulliver.

What is a small state? The importance of statehood

Small states have been defined as 'the weaker actors in asymmetric power relationships' (Mouritzen and Wivel 2005; Rickli 2008); but such a definition may put too much emphasis on power and size and too little on the status of statehood. After all, most states today – including the world's smallest sovereign entities – are no longer preoccupied by concerns for their existence and survival *qua* states, even in the face of the expansionist ambitions of stronger regional powers. State extantism (see Schaffer 1975: 25) means that today the political survival of even 'failed states' (e.g. Connell 2006) is not endangered, since these do not risk their incorporation into the territory of an expansionist neighbour. Throughout the twentieth century, and into the twenty-first, only the 'states' of Somaliland, South Yemen and Zanzibar have disappeared as they were swallowed by neighbouring, expansionist states. Rather than being gripped by the fear of domination or invasion – a key concern for the likes of Machiavelli (1515) – states today are more concerned with and disposed to utilize that key capacity of sovereignty: the right and ability to make laws, in order to 'optimize the health and wealth of the state and its people' (Braun 2000: 12).

Such a politically rational reading of the exercise of territorial power is comparable to the Foucaultian concept of 'governmentality': the smart deployment of actual and potentially available capacities to secure desirable fiscal, human, material, legal or geopolitical resources (Foucault 1991: 93; Kuehls 1996: 67; Baldacchino 2012). This is a performative act of government-as-agency: deploying *s*omewhat systematic modes and technologies of power that go beyond the spontaneous exercise of power over others, and whose purpose is 'the regulation of conduct by the more or less rational application of the appropriate technical means' (Hindess 1996: 106). Such a state capacity extends naturally and legitimately to its own territories, its own citizens and its own resources; but it often includes extra-territorial scope, defined as the ability to impact on the conduct of others beyond one's juridical reach. Foucault describes these behaviour patterns and relationships of power as 'strategic games between liberties' (Foucault 1988: 19; also Adler-Nissen and Gad 2013). The purposes for which such contemporary 'imaginative geographies' (Said 1979) may be deployed can also be roughly generalized, falling into certain patterned initiatives: these include maximizing tax revenue, growing tourism, securing military rents, attracting international students or foreign skilled workers, facilitating emigration (and ensuing remittances) or luring foreign aid and investment.

As the stakes get higher, governance becomes more creative

The stakes get increasingly higher with decreasing size of territory and population. With the very smallest of jurisdictions, extra-territorial reach is synonymous with economic survival. Thus, even a sub-national jurisdiction like Pitcairn – arguably the world's smallest – can survive, mainly by its successful claims and overtures (what Foucault would define as 'bio-politics') vis-à-vis

British taxpayers, American stamp collectors and Filipino sailors. 'The only cash economy of Pitcairn is the sale of stamps and the sale of handicrafts to passing ships' (Ridgell 1995: 149). Meanwhile, for the small archipelagic states of the Maldives, Marshall Islands, Kiribati and Tuvalu, climate change and concomitant sea level rise may bring about the complete submerging of their land territory, making the wholesale migration and translocation of their populations to other countries a distinct policy option.

These possibilities thrust the international relations of small jurisdictions into an arena of creative governance. The setting is a function of the large number of small sovereign states that exist today – the UN-supported Forum of Small States has 105 states as members (Government of Singapore 2012) – and of the expanding number and significance of both sub-national and supra-national entities. The stage is set for conventional (state–state) bilateral and multilateral deals; but also for new forms of agreements and the para/proto-diplomacies that imbricate sub-state and non-state territories and that have evolved from the metropolitan–peripheral and colonial relationships of the twentieth century (e.g. Kelman *et al.* 2006).[1] Smallness, often accompanied by islandness, low/no populations and relative isolation, facilitates the room for such 'creative political economy' (Baldacchino and Milne 2008) or 'norm entrepreneurship' (Ingebritsen 2002).

This chapter critically reviews the opportunity for crafting and managing such 'design initiatives' by such 'states of exception' (Agamben 2005). Many of these initiatives – high security prisons, 'tax havens', refugee camps, geo-strategic military bases, remote weapons test and dump sites, special autonomous regions, duty-free zones, heritage and conservation parks, spaces without right of abode, and various 'mix and match' combinations of the above – can be argued to pose 'security threats'. Excising, zoning, detaching, niching, outbordering, dislocating, insulating, unbundling, quarantining or offshoring, are some of the performative action verbs that can be used to describe a clutch of different design initiatives that share many basic characteristics, and which involve the endowment of specific legal spaces with particular and closely circumscribed privileges and powers, often ratified by domestic law (Baldacchino 2010: 4). By means of such techniques, states exploit distance, precariousness and ambiguous status (Mountz 2011).

And yet, it may be easier to undertake such measures on *part* of one's territory, rather than on a sovereign state's territory *in toto*. Any activity deemed to be 'offshore' may need to be seen in relation to other, more conventional activities that are taking place 'onshore', and in the same country; and such policy measures may be accompanied by deliberate jurisdictional reform that renders such spaces as administratively self-governing enclaves, easier to fence off and ring-fence, simultaneously defining and restricting the zone of exclusion in which specific practices can operate. Indeed, it is in a clever combination of offshore and onshore that states seek to 'have the cake and eat it too' (Palan 1998), exploiting both conformity (e.g. with international law) and truancy in their public policy pursuits.

Thus, and for example, Australia has declared large sections of its offshore waters, islands and reefs as 'non-Australia' for the purposes of asylum seekers and has transformed Christmas Island into an irregular migrant detention

centre; the remote and islanded nature of the space enhances the experience of detention. Hong Kong is not a country, being part of the People's Republic of China; but, as a special administrative region, it enjoys executive, legislative and independent judicial power; is a 'top Pacific Basin offshore financial centre' (Roberts 1994: 102); and has its own flag, stamps, currency and internet domain name (.hk). Labuan is an offshore finance centre in Indonesia. The United States pioneered a free trade zone on Staten Island, NY in 1937; and Okinawa remains the home to most of the US forces stationed in Japan. Probably the best known example of such offshore spaces is Guantánamo Bay, in Cuba, which has effectively been crafted and variously described as a 'juridical limbo', 'black hole', 'zone of indetermination' and a 'carefully constructed legal absence'; it is a threshold where the border between inside and outside is deliberately ambiguous and uncertain (Bigo 2007: 17–18; Fletcher 2004; Reid-Henry 2007: 630). In all these examples, the idiosyncratic space is defined in relation to the rest of a country where other, different regulatory regimes prevail.

However, compare these developments occurring in sub-national jurisdictions with those involving small states *in toto*. Nauru has resumed its offer of detention services for Australian asylum seekers. Cyprus and Malta are destinations for irregular migrants transiting from North Africa and the Middle East into the European Union. Mauritius has been a successful, whole-country, free trade zone since 1992. Liechtenstein, Luxembourg, Singapore and the Bahamas are amongst the world's premier 'offshore' finance centres. Bahrain is the site of a significant US Navy base, with some 6,000 personnel, offering port facilities to the US Fifth Fleet. In all these cases, as in various others, it is not practical – and often impossible – to ring-fence such operations other than in a manner that is fully and wholly contiguous with the national territory.

To what extent does the distinctiveness of small states make them especially attractive, and often default candidates of choice, for such a thrust of political design? And to what extent does this same specificity render these as spaces that generate security concerns within both domestic and international political economy? We understand these challenges to fall largely within three distinct yet interrelated parameters: (1) the inordinate social and economic impact of major external logistic and infrastructure investments in small states; (2) the relative non-feasibility of transfer, or spillover of negativities, to other parts of the same country; and (3) the potential capture of the state, and the co-optation of local elites, in support of specific ventures in creative governance. These matters will now be elaborated upon and reviewed in turn, using suitable examples.

Inordinate impacts

Small states have higher economic elasticities: they tend to grow faster and have higher productivity growth than larger countries, but their economic depressions also tend to be deeper and more pronounced (Baldacchino 1998):

> The opening of a garment factory employing 200 people is no big deal to most territories, but it could significantly reduce unemployment in a smaller jurisdiction. Of course, the converse applies as well: the closure of a fish-processing plant employing 200 people could be seen as a national disaster.
> (Baldacchino 2011: 238)

Small states also generally secure better terms in foreign aid: one of the most well-established generalizations in the foreign assistance field is the so-called 'small country effect', according to which aid per head increases, and the terms of aid improve, as the size of the country declines (Streeten 1993: 200). 'A few million dollars go a long way on a speck of land' (*The Economist* 1991).

Given these reasons, one should not be surprised to note that what are, in absolute terms, modest investments become disproportionately significant in small economies. Nauru, a country with some 12,000 citizens, has gone from being one of the world's richest countries to one of the world's poorest on a *per capita* basis. When the detention facility was opened for the Australian Government, it 'pumped so much money into Nauru's economy that it soon came to account for a fifth of the nation's revenue' (Squires 2008). Small economies are typically more volatile, with more erratic episodes of boom and bust, than larger neighbours (e.g. Carse 1998, comparing the Isle of Man to the United Kingdom).

Consider next the inordinate impact of a high-profile US base, with some 5,000–6,000 personnel located in a small country where over half the resident population consists of foreigners. Tensions have occasionally been running high with regard to the stationing of the US military base (and home to the US Fifth Fleet) in Bahrain, the smallest state in the strategic Persian Gulf. First the Emirate, then the (short-lived) National Assembly, had given notice to the US to withdraw its military presence from Bahrain during the 1973 Egypt–Israeli conflict, and again in summer 1974 (Winckler 2007: 67–74). More recently, high levels of unemployment and the continuous presence of the US base 'have given radical Sunni and Shi'a Islamist groups a reason for discontent and led to rapid growth in their popularity' (Karolak 2010: 10–11). The minority Sunni Al Khalifa monarchy in Bahrain may have succeeded in temporarily crushing mass protests by the majority Shi'ites and driving them out of the capital Manama. However, 'the frustration and anger in Bahrain continues to bubble to the surface in protests' more than a year after a Saudi-backed crackdown (Dorsey 2012).

Modest social events can also become excessively noteworthy in small island politics; various episodes highlight the more 'combustible' socio-political atmosphere prevalent in small states (e.g. Richards 1982; Baker 1992), where measures that do not meet public support cannot be located out of sight, and out of mind. Take Cyprus and Malta: they have been receiving boatloads of irregular migrants arriving from Africa and the Middle East. The impact of even modest (but socially very visible) arrivals can be disproportionately significant, as policy makers and the media often argue:

> As Maltese policy makers often emphasize, in particular vis-à-vis other EU members states, relative to population size, an inflow of 2,000 immigrants into Malta equates to more than 400,000 arriving in Germany, or to around 300,000 entering France, the UK, or Italy.
>
> (Lutterbeck 2009: 121)

But the arrival of often dark-skinned, often non-Christian, irregular immigrants has also triggered an appeal to, and a nostalgia for, a mythical representation of nationhood in both island states: one premised on the national character as solidly white-skinned, racially pure, European and Christian (Catholic in Malta; Greek Orthodox in Cyprus), and including a converse suspicion and fear of the 'Other'. Hence a xenoscape presents itself, riddled with negative affect and a dislike of the stranger, and translated into a surge of populist, anti-immigrant political discourse (e.g. Teerling and King 2012; Lutterbeck 2009).

Non-feasibility of transfer

Moreover, both these countries (and Malta more so than Cyprus) have limited land areas and relatively very high population densities: once the irregular immigrants are landed, there is no hinterland, no 'Christmas Island scenario' to which they can be despatched. Furthermore, and according to the Dublin II Agreement of the European Union (EU), meant to prevent 'asylum shopping', an irregular migrant's application for asylum has to be handled by the EU member state where that migrant was first landed: thus, once disembarked in the EU, irregular migrants are expected to stay in their country of landing. No wonder both Cyprus and Malta disagree with these provisions which have created a disproportionate burden on EU border states, and especially on the two small Mediterranean island countries (see Sansone 2011).

In the Pacific, a low-lying atoll archipelago state like Tuvalu struggles with the implications of climate change and sea level rise. Whereas residents of other islands facing inundation, erosion, increasing storm intensity and encroaching salinity have been able to relocate elsewhere within their own country (as did the Carteret Islanders in Papua New Guinea – Monbiot 2009), the Tuvaluans do not have that luxury: their whole country is prone to sea level rise – nine atolls, with a total land area of 26 km^2 (see also the discussion of environmental security in Chapter 5 of this volume). Unsurprisingly, Tuvaluans are voting with their feet: there are already many more settled elsewhere in such countries as New Zealand and Australia than remain on the territory of their own small state. Opportunities for migration, under a variety of classes, to these destination countries are actively sought.

In the eastern Caribbean, small island states like Dominica, Grenada, St Lucia and St Vincent have had to radically shift their economies, highly dependent for decades on the export of bananas under preferential arrangements (involving a duty free quota per country) to the United Kingdom and the European Union, following a ruling by the World Trade Organization that had been instigated by

the USA and more competitive banana growers in Central America, and which declared such arrangements discriminatory. Total banana exports still accounted for 30 to 60 per cent of all merchandise exports from these island states in the 1980s. Such a heavy reliance on one major export crop subjects such small economies to trade dependence and vulnerability to various forms of external shocks, which include price fluctuations, crop diseases and natural disasters (see Williams and Darius 1998). Such island states have been obliged to shift to alternative economic activities (cocoa, nutmeg, tourism, marijuana) in a relatively short period of time, with their small economies struggling to make up for the loss of earnings from the banana industry (Grynberg 2006).

But it is not easy for a small economy to avoid an inordinate dependence on one export item. The best economic scenario to aspire to is one that sees the economy shuttling from one form of vulnerability to another (see also the discussions of economic security in Chapters 2 and 3 of this volume); rarely are there any robust, credibly alternative, resilient sectors that can boldly take up the slack. Consider as an example the economic yo-yoing of the Caribbean island state of St Lucia, set up as a plantation economy following European discovery. Sugar drove the plantation economy for many decades but was eclipsed by coal (1880s–1930s), which was in turn overtaken by bananas during the 1960s; tourism then surpassed the banana 'green gold' in revenue in 1993 (see Ellis 2005).

Capture of the (small) state?

With a state mechanism that is small in absolute terms, and a see-through decision-making process, it is fairly easy to personalize public policy making in small states. In spite of its small size, however, the state in a small state is omnipotent and ubiquitous. It plays a disproportionate role in a small country: as the employer of last resort; and as a highly transparent, person-driven apparatus that dispenses 'cargo' and other benefits, especially to the politically sympathetic (Baldacchino 2011: 238; Clarke and Payne 1987). Hence, the stakes are raised for attempts to influence, or control, such an important actor.

Such accusations are often raised at offshore finance centres, most of which are small, often island, states and territories. It is claimed that various small states and territories today may have not just deployed, but actually traded in, their sovereignty, or part thereof, in exchange for economic largesse, by exploiting a nuanced juridical space facilitated and condoned by smallness, islandness and peripherality. 'Financial capital has been able successfully to penetrate these small, vulnerable political economies, often capturing their states in order to promote favourable legislation', claim Hampton and Christensen (2002: 1668). Palan (2002: 172) argues that such small states have gone so far as to prostitute their sovereign rights. Palan *et al.* (2010: 187) also argue that the political independence of small states could be 'more apparent than real, for their developmental and social goals are subject to the whim of foreign capital'. A British government Commission of Enquiry concluded that there was 'a high

probability of systemic corruption' by elected members of the Turks and Caicos Islands, leading to a suspension of the constitution (Hampton and Christensen 2010: 10). Autonomous jurisdictions, like the Channel Island Bailiwick of Jersey, have been accused of having been taken over by international finance capital, which then aligns the small state to serve its (tax evasive) purposes: 'having established predominance, the financial services sector used its political power to secure additional fiscal and regulatory advantages' (Christensen and Hampton 1999: 186). Of course, many citizens and scholars from small states beg to differ (e.g. Gallienne 2007).

Small states are vulnerable to various kinds of organized crime. 'Here, the asymmetries between the intelligence and policing resources of the [small] state and the resourcefulness of the criminals who prey upon it can be immense' (Bartmann 2007: 301). In the Solomon Islands, corruption is rife in fishing and forestry, and most of it involves Chinese, Japanese, Koreans and Malaysians, who 'often operated corruptly [and] developed close relations with politicians' (Crocombe 2007: 180). Or take the case of the Bahamas, where a pall of corruption (financed by drugs trans-shipment and narcotics trade) shrouded the Pindling government and ran deep into society, neutralizing law enforcement officers and the police force (Bartmann 2007: 303; Bullington 1991: 75). The Bahamas archipelago, with its myriad islands, inlets and cays that are so difficult to monitor, is also prone to an illicit 'refugee trade', involving refugees from Haiti (Bartmann 2007: 304–305).

Differently dangerous

In the case of a sub-national jurisdiction like the Turks and Caicos, where Whitehall maintains final executive authority, a serious situation can be, and has been, tackled by an extra-territorial decision, unpalatable though that may be. But such measures are by definition unavailable in the case of sovereign states. International law, as enshrined in the 1933 Montevideo Convention and the various principles governing the workings of the United Nations, precludes interference by states in the internal workings of other sovereign states, irrespective of their size. Indeed, one of the arguments brought forward in the period after the end of World War II, against the independence of 'micro-states', was that they could not be trusted to act as responsible states; then, the fear was that a Malta, an Iceland or a Vanuatu could destabilize finely balanced 'Cold War' politics (see Baldacchino 2009; and Premdas and Howard 1985). In no uncertain terms, *The Economist* (1970) called Malta and Iceland 'damned dots' for daring to rattle superpower balance in the early 1970s.

Now, the dangers are different. Neighbouring, larger powers seek to uphold the security of small states (and indirectly their own) by supporting security programmes, training police and drug squad personnel, providing intelligence, software and hardware (such as surveillance technology, coastguard vessels, search-and-rescue helicopters). But there are real limits to the effectiveness of such measures. Ultimately, a serious crisis (social, political, economic, environmental,

or a toxic combination of these) will loom in any given small state; this is not a question of *if*, but *when*. Such a situation – as with the 2010 earthquake in Haiti, or the 2006 coup in Fiji, and, eventually, global warming refugees from Tuvalu? – is likely to trigger, as a bare minimum, a wave of out-migration, with the most mobile citizens of the affected small state heading towards richer, more stable, neighbouring countries. It is such access to residence, labour markets and eventual citizenship that remains at the top of the list of aspirations of many small state citizens. This explains why many sub-national jurisdictions – including some that could become independent if they wanted to – prefer not to become independent, and instead consolidate their integration within larger, richer states: the November 2012 decision by Puerto Ricans for their territory to become the fifty-first state of the US is moot (see *The Guardian* UK 2012).

Another development that once again puts small states at the forefront of innovative governance is the growth of the electronic-gaming industry (Baldacchino 2010: 78). Attractive locations from which to operate online casinos and poker rooms now include Alderney, Curaçao, Gibraltar, the Isle of Man and Matsu islands (Taiwan), but also the sovereign states of Antigua and Barbuda and Malta (On-Line Casino Locator 2008). Companies that are granted a licence to operate are typically not permitted to take bets from the citizens of their respective island base (e.g. On-Line Casino City 2008). Small jurisdictions are thus attractive to gaming companies, since only a fraction of their potential client base is legally excluded. (For the small jurisdictions themselves, any high social impact on gamblers from other countries is, presumably, not their concern.)

Meanwhile, and in spite of various attempts at a crackdown, the operations of finance capital show no signs of abating, and one should seriously question whether the continued existence of offshore finance centres owes much to their valued services within the global political economy. Indeed, the design of legislation by onshore states is just as complicit in the positive and negative effects of the offshore economy as are the small sovereign economies that host offshore finance centres (Vlcek 2009). Who, then, is posing the security threat?

Conclusion

'The openness of small states … is … structural, and may not be ameliorated by policy or strategy of any kind' (Worrell 2012: 6). 'Governmentality' can be problematic when a state finds itself structurally prone to exogenous shocks and 'invasions' that can impact on the very fabric of the state. Until a few decades ago, domestic and international observers would have been concerned with the likelihood of a Falklands (invaded by Argentina in 1982 and then recovered by Britain following a military operation); or a Grenada (victim of a violent coup and then a US-led military intervention in 1983); or a Kuwait (invaded by Iraq in 1990). Today, the temptations versus the practical and moral risks of what have been termed as the 'pseudo-development strategies' of small states pose a more bewildering dilemma calling for non-traditional policy responses (Baldacchino 1993). The status of small states as sites of imaginative geographies, and the

description of their citizens and policy makers as norm entrepreneurs, could be fruitful lessons in how necessity can prove to be the mother of invention. Indeed, as Streeten (1993) has cleverly observed, most small states enjoying long-term prosperity (including Barbados, Liechtenstein, Luxembourg, Malta and Singapore) have few exploitable local and natural resources. In a world gripped by a wave of neo-liberalism, and in spite of their often assumed role as followers and powerless pawns in international relations, small states *qua* states have considerable wriggle room for policy manoeuvre, in spite of the visible chagrin of their larger, notionally more powerful neighbours.

Let us end with another cameo. This time, the focus is on the United Nations and its Security Council, where attempts to its reform have clashed with the veto powers of its 'permanent five' (P5) members: China, France, Russia, the United Kingdom and the United States. But in March 2006, a group of five different countries – Costa Rica, Jordan, Liechtenstein, Singapore and Switzerland – tabled a resolution to the UN General Assembly, calling for reform to the working methods of the Security Council: limiting the use of the veto, and enhancing transparency and accountability (United Nations 2006; see also MacQueen 2010; Trachsler 2010). These called themselves the 'S5': the small five. Interestingly, this initiative has received a surprising level of support from some influential countries, including Argentina, Canada and Japan. Of course, the P5 vetoed it; but here we are still talking about the proposal, and its merits. 'Soft power' or 'weak power' is especially potent when wielded by those least expected to (Nye 2004; Lindell and Persson 1986); here, size does matter.

Note

1 See also Chapter 13 in this volume.

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